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Daily Report

Central Eurasia

FBIS-SOV-96-121
Friday
21 June 1996

Daily Report
Central Eurasia

FBIS-SOV-96-121 *21 June 1996*

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Russia: FBIS Presidential Election Report 20 Jun

WA2006205996

[FBIS Report] ***This is the tenth in a series of FBIS reports on Russian regional developments in the campaign for the presidential election. It is based solely on Russian media reporting from Moscow and provincial sources (see note 1).***

(Note 1) FBIS postal receipt of some Russian local media sources accounts for the dated nature of certain items cited. This FBIS media note presents the local media in the timeliest manner possible, given procurement constraints.

Yeltsin, Lebed Support Groups Joining Forces The consolidation of incumbent Russian President Boris Yeltsin and retired general Aleksandr Lebed's support groups in some regions suggests that the two camps are attempting to ensure that Lebed's 15 percent of the national electorate supports Yeltsin in the election runoff after Yeltsin appointed Lebed to two top security posts.

The Russian news agency RIA (19 June) reported that the heads of the Volgograd campaign headquarters for Yeltsin and Lebed "came to terms for joint actions" in the runoff election campaign. Lebed's Volgograd representative, Dmitriy Adamov, claimed that "at least 60 percent of Lebed's supporters in Volgograd will cast their votes for Yeltsin" in the second round, according to the report. (Lebed reportedly garnered 16 percent of votes in Volgograd.) A spokesman for Yeltsin's Volgograd campaign headquarters said that his camp had also reached "tentative agreement on joint actions" with the region's Yabloko branch and said an official statement will be issued following a 22 June Yabloko congress. (Yavlinskiy reported garnered only 6 percent of Volgograd' s votes.)

Lebed's support group in the Jewish Autonomous Oblast is also rallying for Yeltsin. Valentin Kozlov-Birskiy, leader of Lebed's support group in the oblast, announced that his group will start campaigning for Yeltsin (INTERFAX, 20 June). He claimed that a telephone opinion poll conducted by his headquarters suggests that "about 80 percent" of Lebed's supporters in the oblast will support Yeltsin in the second round. He added, however, that his headquarters "does not plan to coordinate their actions" with Yeltsin's support group in the oblast, charging that Yeltsin's group acted "tastelessly" and "ruined" the first round of elections. Unofficial results indicate that Communist Party (CPRF) leader Zyuganov received 33 percent of the oblast vote to Yeltsin's 30 percent and Lebed's 15 percent (Internet NATIONAL NEWS SERVICE, 17 June).

Moscow Lambastes Tatarstan's Leaders After Zyuganov's Strong Showing Gennadiy Zyuganov's strong showing in Tatarstan apparently came as a shock to Yeltsin officials in Moscow. According to preliminary results of the 16 June voting in Tatarstan, Zyuganov received 46.96 percent of the vote to Yeltsin's 29.89 percent (ITAR-TASS, Internet NATIONAL NEWS SERVICE, 17 June). An INTERFAX (17 June) report also showed Zyuganov finishing ahead of Yeltsin in the republic, but by an eight percent margin—41 percent to 33 percent. KAZANSKIYE VEDOMOSTI (18 June) reported Zyuganov received 42 percent and Yeltsin 33 percent. Yeltsin had been expected to finish first in Tatarstan because of the strong first-place finish won by Premier Viktor Chernomyrdin's "Russia is Our Home" (NDR) bloc in all six of the republic's electoral districts in the December 1995 State Duma elections (ROSSIYSKAYA GAZETA, 24 January) and Tatarstan President Mintimer Shaymiyev's public endorsement of Yeltsin during the latter's campaign visit to Kazan (INTERFAX, 9 June).

Moscow officials clearly evinced their displeasure at the election results in Tatarstan. INTERFAX (19 June) reported that then First Deputy Premier Oleg Soskovets urged regional leaders to "boost preparations" for the runoff in a 19 June teleconference and that he "sharply criticized" Tatarstan's leaders in the wake of Zyuganov's strong first-place finish in the republic.

Shaymiyev Attempts to Justify Zyuganov's Strong Showing in Republic Shaymiyev attempted to rationalize the 16 June election results in his republic—results which appeared to be as unexpected to him as to Moscow officials. He told INTERFAX (18 June) that Zyuganov's strong showing resulted from "dissatisfaction of voters with their present situation." According to Shaymiyev, Yeltsin received "great support" in Kazan and several large cities, but Zyuganov was supported by rural voters and gained a "most persuasive victory" in Naberezhnyye Chelny, collecting the "overwhelming majority" of votes in this city, the site of the KamAZ truck manufacturing complex. He cautioned, however, that "one should not draw any hasty conclusions" about the first-round vote and said that Yeltsin could receive "a substantial majority" in the runoff (INTERFAX, 18 June). Later, in an attempt at damage control, Shaymiyev claimed that Tatarstan "voted for democracy" during the 16 June election, reasoning that "if one adds up the votes cast for Yeltsin, Lebed, and Yavlinskiy, then 55 percent of the electorate voted for democracy," according to ITAR-TASS (19 June). Shaymiyev also claimed erroneously that Yeltsin "was only slightly ahead of Gennadiy Zyuganov" in the total federation-wide first-round voting.

Tatar Voters Explain Electoral Choices KAZANSKIYE VEDOMOSTI (18 June) reported on the results of exit interviews it had conducted:

- Voters claimed to have voted for Yeltsin "because life is a little more stable;" "because [the voter] expects improvements in life;" "because [the voter] believes him more than the remaining candidates;" and "because a change [in presidents] will be very bad."
- Voters opted for Zyuganov "to bring order in the country;" "because [the voter] lived better under the communists;" and "because they make more sense—they have a program."
- Voters chose Lebed "because he will bring order in the country."
- Voters chose Yavlinskiy "because he has a young perspective."
- Voters chose Liberal-Democratic Party (LDPR) leader Vladimir Zhirinovskiy "because he is a good man."

According to the article, 66 percent of Kazan's urban population and 87 percent of its rural population participated in the election.

Voting Was Well-Observed in Irkutsk SOVETSKAYA MOLODEZH (18 June) reported that the 16 June election took place "under super-vigilant control," owing to the plethora of observers present at the voting sites. The article claimed that in the city of Irkutsk a group of from three to ten observers, representing the presidential candidates, was present at each voting site in the city of Irkutsk. Further, besides these "native" observers representing the candidates, twelve OSCE observers were working in the oblast.

Russia: Official Election Results Announced

LD2006145696 Moscow ITAR-TASS World Service in Russian 1421 GMT 20 Jun 96

[By ITAR-TASS correspondent Igor Belskiy]

[FBIS Translated Text] Moscow, 20 Jun (Itar-Tass) — The second round of the Russian presidential elections will take place on 3 July. There will be two names on the ballot paper — Boris Yeltsin and Gennadiy Zyuganov. This decision was taken today at a sitting of the Central Electoral Commission of the Russian Federation at which the results of the first round of the Russian presidential elections of 16 June were summed up.

The elections have taken place in all 89 constituent parts of the Russian Federation. There were more than 108.4 million names on the electoral register. 75.8 million voters — more than 69.8 percent of the registered electorate — took part in the elections. Out of these, more than 75.6 million have voted. In the elections held ahead of schedule, just over 300 votes were cast in support of Aman Tuleyev [before his withdrawal].

According to the final results of the vote held last Sunday, the incumbent Russian president polled over 26.664 million votes, or 35.28 percent. Over 24.2 million voters, or 32.04 percent, gave their support to Gennadiy Zyuganov.

The results of the 16 June elections showed that slightly over 123,000 people, or 0.16 percent, voted for Vladimir Bryntsalov. Yuriy Vlasov polled 151,200 votes, 0.2 percent. Mikhail Gorbachev got support of over 386,000 voters, or 0.51 percent. Vladimir Zhirinovskiy was supported by over 4.3 milion people, or 5.7 percent, while 10.974 million people, or 14.52 percent, voted for Aleksandr Lebed. Svyatoslav Fedorov was supported by 699,000 people, or 0.92 percent, Martin Shakkum — over 277,000 votes, or 0.37 percent. Grigoriy Yavlinskiy polled over 5.5 milion votes, or 7.34 percent.

"Against all candidates" — 1.163 million votes.

Russia: Washington 'Cannot Contain Delight' at Lebed Appointment

MM2106110896 Moscow PRAVDA in Russian 21-28 Jun 96 p 1

[Report by Vladimir Shelkov: "Even the United States Is Praising the Russian President for Giving an Important Job to Once out-of-Favor General"]

[FBIS Translated Text] Washington — Hardly had the United States comes to terms with Lebed's emergence in the Kremlin than local politicians and commentators were shaken by new reports from Moscow. The firing of President Yeltsin's former favorites is being linked here to the appointment to important state posts of A. Lebed, who was retired last year, presumably for disobedience and critical peevishness. Everyone — clearly including the almost 11 million Russian citizens who voted for the out-of-favor general — will recall how with his booming bass voice he tongue-lashed the Yeltsin government for this, that, and the other — and in general for destroying the Army, the economy, and the state. And that abuse reached as far as...Kremlin offices.

Yes, the president needed Lebed's votes. But was that all? After all, everyone, including the president himself, has suddenly completely forgotten how implacable the general had seemed. Even Washington is welcoming the return of the prodigal son to the commander-in-chief's colors and cannot contain its delight about the political adroitness and foresight of the president's advisers — recruiting such a major opposition figure to their ranks!

Overnight Washington has forgiven Lebed everything — his opposition to NATO's eastward expansion plans, his intention, if necessary, to launch "Russia's rusty nuclear missiles," and his attacks on the West for its intention to "wipe its feet" on Russia. Applauding the appearance in Moscow of a new "security guru," the U.S. Administration is no longer mentioning all these "shortcomings." Look, the guy got it wrong, it happens. But Washington officials are emphasizing that at least there is now someone in the Russian leadership who is able to fight crime and corruption. At long last!

And nobody is even asking whether the general battling evil in the Russian leadership will not find himself in the position of the sergeant-major who is out of step with his company.

No, Washington is focusing on something else. Administration representatives believe that Lebed's appointment improves Yeltsin's chances of success in the second round of the elections. It was no accident that Nicholas Burns, the mouthpiece of the State Department, praised this step of Yeltsin's, which, it is believed, will help him broaden the political base of his supporters.

At the same time the State Department spokesman subtly hinted that it would be no bad thing if the Russian president were to show some sign of attention to G. Yavlinskiy as well. "The election arithmetic suggests a way for all the reformers to unite," N. Burns noted. "We believe that Yavlinskiy represents a very important section of the reform movement."

A State Department analyst (cited by THE WASHINGTON POST) bluntly stated: "It is important that Lebed sings Yeltsin's tune." Another Russia specialist (Steve Sestanovich [surname as transliterated] of the Carnegie Foundation) put forward the view that Lebed's appointment could weaken the positions and influence of several people close to Yeltsin — which was confirmed following the sensational dismissals of Soskovets, Barsukov, and Korzhakov....

Official American spokesmen are noting that they cannot confirm from their own independent sources Lebed's claims that several highly placed generals tried to block his new appointment and P. Grachev's dismissal, and thereby influence the president.

Russia: Zyuganov Accuses Yeltsin of Trying To Wreck Second Round

LD2006200896 Moscow NTV in Russian 1800 GMT 20 Jun 96

[From the "Segodnya" newscast by announcer Mikhail Osokin]

[FBIS Translated Excerpt] The leaders of the Communist Party and other representatives of the opposition were evidently taken by surprise by the new radical steps by the president. It seems that Yeltsin is acting more and more energetically on the preelection field now and the communists are forced just to react to that with some irritation.

[Begin recording] [Unidentified correspondent] The State Duma spent the whole day discussing the latest reshuffles in Boris Yeltsin's entourage. [passage omitted]

Aleksandr Rutskoy said confidently that he already knew what the results of the second round would be.

[Rutskoy] I don't think there will be any actions of force. There will be a game, the final result of which will be that Yeltsin remains the president of our country.

[Correspondent] [passage omitted]

Gennadiy Zyuganov, after consultations, agreed with the LDPR [Liberal Democratic Party of Russia] leader that all the reshuffles in Yeltsin's entourage had been planned. Zyuganov called the latest dismissals "palace coups" occurring because the Kremlin was not confident it would win the elections. At the same time, Zyuganov mirrored Zhirinovskiy when he said that the reshuffles should be carried out after the second round.

[Zyuganov] That will lead to confusion and simply shows the complete bankruptcy of that team that has quarreled among itself even before the second round.

[Correspondent] Apart from confusion, the CPRF [Communist Party of the Russian Federation] leader saw in the actions by Yeltsin a threat to the last stage of the elections.

[Zyuganov] They are trying to wreck that second round, trying to turn the whole life of the country into a comedy, putting on one show after the other.

[Correspondent] The opposition will continue its discussion of the president's steps tomorrow [21 June]. [passage omitted] [end recording]

Russia: Chernomyrdin on Mobilizing for Second Round of Election

LD2006172496 Moscow NTV in Russian 1500 GMT 20 Jun 96

[From the "Segodnya" newscast by correspondents Vitaliy Trubetskoy and Aleksandr Savonin from the government house]

[FBIS Translated Text] Prime Minister [Viktor] Chernomyrdin began today's government sitting with the hottest theme: the latest personnel reshuffles in the Russian leadership. But it's true he decided to say nothing of the dramatic events of last night and restricted himself to laconic commentary.

[Begin Chernomyrdin recording] The president has made a principled decision about renewing his team and releasing those who take a lot themselves but give back very little. This confirms the president's adherence to the values of democracy, and here lies the main purport of democracy. This is what I think and how I understand it. Therefore, by presidential decree, Oleg Nikolayevich Soskovets has been released from his post of first deputy chairman of the government. [end recording]

All those present noted immediately that the new First Deputy Prime Minister Oleg Lobov was seated confidently at the right hand of Chernomyrdin, in the seat occupied previously by Oleg Soskovets who was fired today. Chernomyrdin himself preferred not to develop the cadre theme and went on to discuss current matters.

Having called the first round of presidential elections a step forward along the path toward democracy, he called upon the members of the cabinet not to weaken.

[Begin Chernomyrdin recording] The results of the second round will depend in many ways upon our work. There is therefore just one task: to mobilize ourselves as far as possible now and to go through the time that is left quite clearly at a good and increasing pace. [end recording]

Chernomyrdin considers the main government tasks for the coming months to be preparations for the draft budget for 1997 and the paying off of all budget debts. The prime minister named as one of the main conditions for the government's work extreme openness, a readiness to explain and even to spell out to ordinary citizens the essence of the reforms being carried out and also active work with the press.

Russia: Election Chief Ryabov Says Nothing Can Stop Runoff

LD2006173896 Moscow INTERFAX in English 1625 GMT 20 Jun 96

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — No events in the country can cancel the second round of the Russian presidential elections, Central Electoral Commission Chairman Nikolay Ryabov told journalists in Moscow Thursday [20 June].

"They can only influence voter turnout and the results of the vote," he said, commenting on the recent detention of two members of the presidential campaign staff and personnel changes in the presidential team.

At the same time Ryabov would not specify in whose favor the outcome may change, advising journalists to consult political analysts on the issue.

"We do not have any doubts that the elections will take place and neither the Central Electoral Commission nor local commissions have stopped working for a moment," he said.

Russia: Yeltsin Aide Says Election Runoff Not To Be Derailed

LD2006173296 Moscow ITAR-TASS in English 1706 GMT 20 Jun 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, June 20 (Itar-Tass) — The Russian presidential spokesman on Thursday made a statement intended to wipe off any doubt that the second round of Russia's presidential poll will be held as scheduled in spite of rumours evoked by the dismissal of three top Kremlin officials.

President Yeltsin dismissed First Deputy Prime Minister Oleg Soskovets, national security chief Mikhail Barsukov and top bodyguard Aleksandr Korzhakov. Since Tuesday, he appointed Aleksandr Lebed Secretary of his Security Council and presidential aide for national security and sacked Defence Minister Pavel Grachev.

"Whoever is now speaking and whatever is being said about coups and rehashing in the government, the Press Secretary of the President is authorised to state that the second round of the Russian presidential election will be held and will take place as scheduled," spokesman Sergey Medvedev told Itar-Tass on Thursday.

"All those who are trying to organise speculations about this, are deliberately attempting to mislead not only Russian voters but the world community as well," Medvedev said.

Any "ritual dances of triumph would plague Boris Yeltsin's election campaign," the spokesman stressed.

Yeltsin will stand the runoff with communist challenger Gennadiy Zyuganov on July 3.

Medvedev referred to media allegations that preparations for a coup were in progress as "premature," although igniting imagination of reporters, and urged to wait until competent agencies make things clear without "pinning labels." He specified that he was speaking about prosecutors among those law enforcers who will tackle the problem.

We live in a state of law. Any person, regardless of a position he holds, can be named criminal only after this word is pronounced by a judge, the spokesman remarked.

Commenting upon media-reported responses to the dismissals, Medvedev said that "it is unclear to me why the shout 'Triumph!' became the loudest of all today. Whose triumph it is and over whom?

"I believe that it will be possible to speak about a triumph only after democracy will completely triumph in Russia. For me, it is associated only with Boris Yeltsin's election triumph. There is no other option."

Turning back to the reshuffle in the government, Medvedev said that Yeltsin had thoroughly analyzed the situation. As a result, the president had come to a conclusion that it was the time to renew the team in order to avoid false rumours.

Yeltsin accomplished the plan in a fast and decisive manner, the spokesman said. However, he noted that they resulted from a series of events including Korzhakov's report, talks with premier Viktor Chernomyrdin and his top campaigner Anatoliy Chubays, a meeting with Lebed, as well as a session of the Security Council involving the new appointee.

The President had weighted all pros and cons well in advance. And his final decision is known, Medvedev concluded.

Russia: Decision To Hold 2d Round on 3 Jul Aimed at Boosting Turnout

MM2106081996 Moscow KRASNAYA ZVEZDA in Russian 21 Jun 96 p 1

[Article by Aleksandr Pelts: "Second Round of Presidential Election Scheduled for 3 July"]

[FBIS Translated Text] The situation has become clear. On orders from Russian Federation President Boris Yeltsin the government has adopted a decree declaring 3 July a day off. That is the day the second round of the presidential election will take place. Let us recall that this decision was made after the State Duma could not bring itself to examine the president's initiative to schedule the second round of the election that day.

The Central Electoral Commission has reacted calmly to the announcement of the date for the second ballot. In principle the Central Electoral Commission itself could have named the day. But by law this could only happen after the official first-round results had been summed up. Which was what Central Electoral Commission members were doing yesterday afternoon. By the time this issue of the newspaper comes out the official first-round results will be known. But even before that it is clear that they will hardly differ tremendously from the preliminary results obtained unofficially, as it were, via the electronic channels of the "Vybory" State Automated System, fax, and telephone. They could only differ by hundredths of a percent. But there can be no talk of final results until Central Electoral Commission members have, so to speak, laid their hands on the local electoral commissions' official returns. But, as you know, no less than 93,000 returns are being collected in.

Now let me say a word about the "technical aspects" of the second round of the election. We have already reported that the procedure and format will remain the same. There will be just two candidates' names left on the ballot papers — Boris Yeltsin and Gennadiy Zyuganov. The required 106 million ballot papers are currently being printed on the orders of the Russian Federation Central Electoral Commission.

Incidentally, the Central Electoral Commission is even ready for a ballot 30 June despite the truly large amount of work involved in summing up the first-round results and preparing for the second round of the election. Now the Central Electoral Commission has gotten an extra three days to prepare for the second round because of the government decree. That is extremely opportune particularly if you bear in mind that it is extremely unlikely that local precinct electoral commissions will be provided with new campaign material and, especially, with financial resources.

There is some disquiet over the second-round turnout. Although analysts are predicting an even higher turnout of Russians than in the first round, this question is nonetheless still topical. And the decision to hold the second round not on Sunday 30 June but on 3 July seems to be aiming to boost voter turnout.

Let us recall that in order to win the second round one candidate only needs a simple majority of the votes cast. Admittedly, the law does contain another stipulation — the number of votes cast for the winning candidate must be more than the number of votes cast against both candidates.

Finally let me say a word about the most painful issue — money. The Central Electoral Commission was allocated 1.9 trillion rubles [R] in budget funds in 1996 to cover the entire election campaign. Central Electoral Commission Secretary Aleksandr Veshnyakov announced that it received R690 billion for the first round. That money has all been spent. Therefore if the Central Electoral Commission does not receive additional finance in the next few days, the second round of the election may be in jeopardy. But it seems that things will not come to that. Although a large sum is needed — around R500 billion. But the Finance Ministry has promised not to let the Central Electoral Commission down.

Russia: NDR Leader on 'Noncommunist Coalition,' Talk With Yeltsin

MM2006132696 Moscow IZVESTIYA in Russian 20 Jun 96 p 1

[Report by Sergey Chugaev: "Communists Could Find Themselves in the Minority Not Only in the Country But Also in the Duma"]

[FBIS Translated Text] The cancellation of a news conference that was to have been given at 1200 hours 19 June in the State Duma by S. Belyayev, leader of the "Russia Is Our Home" [NDR] faction, and devoted to the creation of a coalition of supporters of reform in parliament, gave rise to rumors of the failure of attempts to unite noncommunist deputies. Primarily as a result of the intransigence of Yabloko.

However, in an exclusive interview given by Belyayev to IZVESTIYA's correspondent, the leader of the NDR faction decisively refuted these rumors. According to Belyayev, the idea of uniting all noncommunist deputies was actually conceived two months ago. In addition to the NDR faction it was supported by the "Russia's Regions" deputies' group and "Independent Democratic Deputies." But in the upshot it was decided to postpone the realization of the idea until after the first round of the presidential elections.

Immediately after the 16 June ballot, Belyayev said, intensive consultations began in the Duma with the aim of forming a coalition. According to the NDR leader, G. Yavlinskiy gave his initial consent to joining a coalition. True, he stipulated that he had to secure the support of his faction. Belyayev expects the Yabloko leader to give his final answer 20 June.

In the opinion of the chairman of the NDR faction, an alliance with deputies' associations such as Yabloko and "Russia's Regions" and with independent legislators would enable a stable noncommunist majority to be formed in the Duma and would demonstrate to society that the Communists do not have a majority not only in the country but also in parliament. The main principle of the planned coalition is to be the consolidated position of its members on the most important draft laws, such as, for example, amending the Constitution, forming the budget, and privatization and nationalization.

Belyayev stated to IZVESTIYA's correspondent that the cancellation of the scheduled news conference was due to the fact that on the morning of 19 June he had had a meeting with the Russian Federation president. During the meeting the question of the formation of a noncommunist coalition in the Duma was discussed. B. Yeltsin fully supported the idea, and especially emphasized the willingness of Yavlinskiy and his faction to enter the coalition, Belyayev said. During the meeting the results of the first round of the presidential election, in particular the results of the voting in rural and depressed regions, were also discussed. According to Belyayev, Yeltsin affirmed the need for urgent economic support for these regions.

Russia: Yeltsin's Campaign Spending Viewed

MM2006161696 Moscow SOVETSKAYA ROSSIYA in Russian 20 Jun 96 p 4

[Unattributed account of article by Leonid Bershidskiy and Petr Yudin in 19-25 June issue of KAPITAL newspaper: "Yeltsin Did Not Stint on Money! KAPITAL Newspaper on the High Cost to the Treasury and the President's Sponsors of His Leadership in the First Round"]

[FBIS Translated Text] In the 19-25 June issue of KAPITAL newspaper Leonid Bershidskiy and Petr Yudin analyze the "miracle," after making the proviso in advance: "There is no such thing as miracles. But in that case how were Boris Yeltsin and his team able to turn the support of just 5 percent of voters in January into almost 26 million votes in June? Cunning calculation, the sympathies of the press and popular performers, plus a very large sum of money — that is the recipe for the president's success in the first round of the elections." The article goes on:

Yeltsin's election campaign staggered the imagination with its magnificence and scale. "It has been the campaign of all times and peoples," Andrey Fedotov, managing director of the Russian Public Relations Group Ltd. marketing agency, says. The president's rivals could only watch the progress of this super-campaign and marvel at its effectiveness ("The only thing that grows that fast is bamboo in the tropics," Communist leader Gennadiy Zyuganov recently remarked in irritation about the popularity of his ideological opponent) and envy the president's potential.

Admittedly, international observers present at the 16 June elections were of the view that Yeltsin had not made entirely honest use of this potential. "The Assembly's observers are worried by the fact that the state electronic mass media were criticized for biased coverage of the election campaign," the statement by observers from the OSCE [Organization for Security and Cooperation in Europe] Parliamentary Assembly notes. And at a press conference Monday the U.S. Republican Senator from Arizona John McGain expressed "concern" at the funding of the presidential campaign and pro-Yeltsin sentiments among the mass media.

Some experts believe that Yeltsin clearly exceeded the ceiling on election campaign spending set by legislation (around 14.5 billion rubles [R]). Furthermore, the large-scale social programs launched by the president ahead of the elections and also the numerous "gifts" that the president generously handed out to schools, enterprises, churches, and entire regions during his 24 campaign trips increased to over $1 million the price of every percentage point by which the president's popularity has grown since December.

"He (Yeltsin) has quite obviously spent more money than is permitted," Michael McFaul, senior analyst at the Moscow Carnegie Center, says. "The efforts and resources expended on his campaign — airtime, travels, concerts — were on the imposing scale characteristic of U.S. presidential campaigns."

According to data submitted by Yeltsin's headquarters to the Central Electoral Commission, as of 5 June (the commission has not yet received more recent information) Yeltsin had spent R7.2 billion on advertising in the mass media and a further R741 million on posters, leaflets, and other printed matter. However, these data are questioned by the U.S. research group ANR/Amer Nielsen Research, which monitored the campaign spending of all the presidential candidates. According to ANR's data for the first week of June, Yeltsin's advertising in the mass media was worth $2.9 million. According to the estimate of Natalya Kulikova, chief of the ANR TV and Press Research Department, the president spent a further $500,000 or so before 16 June.

According to ANR, the "Vote or Lose" series of campaign concerts, the two compact disks produced within the framework of that program, and several sporting events in support of Yeltsin cost $1.7 million. In the Central Electoral Commission figures, under the heading "Expenditure on staging public campaign events" there is a zero opposite Yeltsin's name. The organizers of the campaign concerts claim that the president indeed did not spend a kopek on them. The firms "Lis'S" and SNC Corporation, which staged the concerts, financed them themselves at their own wish, SNC Director Anna Isayeva says.

Admittedly, as Central Electoral Commission Press Secretary Viktor Laryushkin explained, companies do not have the right to publicize a candidate "at their own expense." "All this is illegal," Mr. Laryushkin asserts. Nevertheless, in the opinion of the Central Electoral Commission spokesman, the president will scarcely be penalized for misconduct of the campaign: There is no mechanism in Russia for tracking illegal advertising or overexpenditure....

According to Mr. Fedotov, the campaign was conducted in two directions: One, under the slogan "Vote or Lose," was aimed at politically passive young people, and the other, under the slogan "I believe, I love, I hope," was aimed at elderly people — the Communists' traditional electorate.

Mikhail Margelov, director for new business, market research, and consulting of the Video International advertising agency, which is the general contractor for Yeltsin's publicity campaign, said in an interview with KAPITAL that his company certainly did not work for free — it concluded a contract on the right to conduct the president's publicity campaign with his campaign fund.

"The meaning of our publicity materials lies in the materials themselves. Everybody can discern something of their own in them," Mr. Margelov declared. "The ideology of our campaign is expressed in the key image: Boris Nikolayevich Yeltsin is the president of all Russians."

In all, over 20 commercials were shot, but some were rejected. For instance, one civilian sailor stated he was happy with his wage; according to Mr. Margelov, this commercial was not used in the election campaign — after all, under any regime everybody wants to earn more, and the sailor's words sounded insincere.

"The commercials were run past focus groups consisting of representatives of various social groups. A focus group rejected the commercial with the sailor," the agency head explained.

Mr. Margelov refused to give the cost of a single commercial, declaring that they are inexpensive in comparison to those that use computer graphics, for instance. According to Mr. Fedotov, it costs a few tens of thousands of dollars to produce a commercial like the president's, whereas expensive advertisements, for instance, that for the "Imperial" bank, cost $100,000 and more.

A huge concert program was aimed at winning over young voters. According to Mrs. Isayeva, performances were organized in 16 cities — two parallel concerts in each city. "The first concert — rock and roll — would be held in the local sports center and 'Nautilus Pompilius,' 'Alisa,' 'Va-bank,' 'Chayf,' 'Tsvety,' 'Splin,' 'Voskresenye,' Grebenshchikov, Makarevich, and Malinin would take part; the other — the theatrical type — would be held in the local concert hall, with Gurchenko, Kikabidze, Boyarskiy, Karatyan, Abdulov, the 'Kolibri' group, and Sergey Solovyev taking part," Mrs. Isayeva said. In all, around 100 performers took part in the events.

In addition to this, a retrospective of the movies of Sergey Solovyev with appearances by him and meetings with viewers was staged in every city within the framework of the election campaign. The movies included "The House Beneath a Starry Sky," "Assa," and "The Black Rose Is the Emblem of Sadness, the Red Rose the Emblem of Love."

"We largely paid ourselves for the organization of these concerts," Mrs. Isayeva notes. "There was practically no income, since tickets were cheap — R20,000-25,000 on average. But the most important thing for us was to help the current president...."

According to Mr. McFaul from the Carnegie Center, presidential campaigning between the two rounds will have to abate in order to avoid becoming counterproductive. "There is already the feeling that too much attention is being paid to Yeltsin," the analyst emphasizes. "This is now beginning to remind people of the old days. Such a campaign cannot go on for another three weeks without annoying voters."

The money spent by the president on campaigning is only the tip of a huge iceberg. In every city and settlement the president visited during his 24 trips around Russia the head of state promised credits and subsidies.

Since his registration as a candidate Yeltsin has visited 21 regions and signed around 370 edicts, many of which he made public actually in the regions. Even on 30 May in Chechnya the president did not only speak of peace — he ordered that the residents of the village of Pravoberezhnoye be allocated two "Don" combines.

According to Petr Afanasyev, press secretary at the Finance Ministry, Boris Yeltsin has his own R100 billion fund, the existence of which is envisaged as a separate entry in the budget. "Money from this fund is being spent on the numerous campaign promises to individual enterprises that the president made during his travels around the country," Mr. Afanasyev declared.

He added that Prime Minister Viktor Chernomyrdin also has his own fund containing a similar sum, and these funds have also been spent on fulfilling the president's campaign promises. However, Yeltsin's promises have exceeded the potential of the two personal funds several times over.

In Solombal in Arkhangelsk Oblast the head of state promised the local wood processing combine a loan of R40 billion at 20 percent per year. In Vorkuta the president signed an edict "On Priority Measures To Relieve Social Tension in the Pechora Coal Basin." Some R133 billion was allocated to solve the miners' problems. In Novosibirsk the president instructed the Finance Ministry to repay budget debts to Novosibirsk subway construction workers, transferring R40 billion to their account. In 1997 R200 billion will be allocated from the federal budget in order to construct new subway lines in this Siberian city. In St. Petersburg the president promised to repay budget debts to the leadership of the Baltic Shipyard, paying R100 billion a year until the debt of R350 billion has been repaid.

There are plenty more cities and enterprises on this list. It is not worth even mentioning trifles like the computer rooms presented to several schools on Yeltsin's itinerary.

The trips themselves, according to the president's press service, were paid for from the federal budget. It does not seem possible to calculate their cost, press service spokesman Sergey Telepnev said. "The president does not buy air tickets — he has his own presidential aircraft — and he does not pay for hotels."

The money for the president's stay in the localities is allocated by the Presidential Staff Administration of Affairs, the Administration of Affairs accounts office reports. A representative of the accounts office who would not give her name disclosed that a detailed report on travel expenditure can be made only on special instructions from the leadership of the Administration of Affairs. According to her, the number of people traveling with the president differs, there are receptions and gifts, and so it is impossible to estimate the cost of the average trip to the federal budget.

It is hard to say how effective the campaign "gifts" to specific enterprises and schools were. However, statistics confirm that President Yeltsin's more global and expensive campaign programs hit the target precisely.

"In last year's parliamentary elections Kostroma Oblast voted Communist and so it naturally was among the regions where the government repaid wage debts as a matter of priority," Yaroslav Lisovolik, expert at the Russian-European Center for Economic Policy, notes. "On 16 June approximately equal numbers of voters voted for Zyuganov and Yeltsin in Kostroma."

Admittedly, expensive measures such as the repayment of wage arrears may have unpleasant long-term economic effects.

According to Aleksandr Livshits, the president's assistant for economic matters, in March of this year alone payments of pension and wage arrears totaled R23.5 trillion, and compensation for the savings of citizens born before 1916 will cost, according to the Finance Ministry, R4.5 trillion. During the election campaign the president ordered that pensions and the minimum wage be raised by 20 percent. All these social measures in the last six months have virtually exhausted the federal budget.

The treasury is so badly devastated that there is not even enough money to hold the second round of the elections. Tamara Petronavichus, chief of the Central Electoral Commission Financial Department, said that as of 17 June the Central Electoral Commission had received just 45 percent of the funds specified in the budget for the organization of the Russian Federation presidential elections, including the second round of the voting. According to her, unless the Finance Ministry transfers at least a further R450 billion, it will be difficult to organize the second round.

The country's financial system may suffer not only as a result of the recent growth in social programs, but also because the major energy companies supporting the current president may demand rewards for their loyalty after the elections, certain experts believe.

"The most difficult time will be late summer and early fall, when the energy monopolies, which before the elections did not breathe a word about raising prices for their services, eventually demand this," Mikhail Delyagin, leader of the Presidential Staff Analysis Administration's economic department, says.

Russia: Ilyukhin Letter Accuses Ryabov of Being 'Yeltsin's Man'

MM2006155796 Moscow PRAVDA ROSSII in Russian 20 Jun 96 p 1

[Report by Sergey Manuylov: "Tyranny. Who Central Electoral Commission Was 'Working' For"]

[FBIS Translated Text] Listening to Central Electoral Commission Chairman N. Ryabov, you get the impression of a paragon of legal virtue. It does not, he says, depart one iota from the laws and regulations, observes them all rigorously, and is ready to spring to the defense of voters' interests.

But this is all, alas, camouflage which hides something else: a devotion to the powers that be and a readiness to spring to the defense not actually of the voters but of those who shamelessly violate their rights and debase human dignity.

In his official warning letter to the Central Electoral Commission, V. Ilyukhin, chairman of the Russian Federation State Duma Security Committee, tells it like it is, as they say, and explains Mr. Ryabov's "deafness and blindness" before the elections by the fact that he is "Yeltsin's man" and completely and utterly shares his convictions and his ability to lie and con the people. In short, he is a worthy disciple of the current president.

The letter from the State Duma contains 10 instances of violations that it claims the Central Electoral Commission did not note in the hope that the noisy and lively election campaign would efface them all. No, Ryabov, it will not efface them! In time everything will fall into place and the question will be asked as to why the electoral commission closed its eyes to things that gave a particular advantage to Yeltsin's camp. From the very moment when B. Yeltsin began his election campaign before the official registration of candidates, which was in violation of Part 3 Article 38 of the law "On the Russian Federation Presidential Elections."

Later on there were further violations. When carrying out their official duties, officials and state figures, without, so to speak, leaving their posts, engaged for all their worth in campaigning for their "boss," with whom they got and continue to get away with everything. He's a useful president, you've got to admit it, what wouldn't you do for such a man.... And they have done it!

V. Chernomyrdin worked particularly hard and in his fervor as the faithful subject even outdid the president's personal advisers and assistants. Using his elevated official position, the prime minister did not miss an opportunity at all manner of conferences and meetings with representatives of business circles to elevate Yeltsin more or less to the level of a national hero. Vice Premier Yu. Yarov, who, we should point out, is also not a private individual, became leader of the executive committee of the council of the All-Russia Public Support Movement for the reelection of the Kremlin storekeeper. Administration, kray, and oblast leaders followed his lead.... For example, Moscow Oblast Administration head and poet A. Tyazhlov, who is a well-known and committed democrat, became leader of the regional branch of Yeltsin's public support movement, while its chief of staff was deputy Oblast Administration head V. Selyayev.

It is not hard to imagine which "mechanisms" were used and at whose expense to put pressure on voters. Including psychological pressure. Stickers bearing the campaign lie "Yeltsin is the president of all Russians" were posted on the doors of all kinds of cafes, bars, sandwich bars, and other dens of iniquity, and the proprietors of the entertainment and drinking establishments were held responsible for their not being removed.

What can you say about the Defense Ministry, MVD [Ministry of Internal Affairs], and Russian Federation Customs Committee leaders who gave the order to support Yeltsin with all available means. Not just to employees but to members of their families!

In his letter, V. Ilyukhin described the Central Electoral Commission's violations as "gross and cynical" and emphasized that "Russia will regret your (that is Ryabov's) term as chairman of the Central Electoral Commission for a long time to come." But we think that exhortations are not enough on their own: It is time that V. Ilyukhin, as a Duma committee chairman, exercised his power. In any case he should call on the legal bodies to give their due assessment of the very loose policy of the Central Electoral Commission and its chairman.

Even when the first election results came in and it became known in what regions and with whose collusion Yeltsin had won an implausible number of votes, the Central Electoral Commission did not lift a finger to oppose this blatant pressure on voters. This particularly concerned the Army and the police, among whom bullies organized the poll like a drill march. Young soldiers and policemen were ordered to vote for the person who had in effect destroyed the Army and the police force.

How long can we put up with this Central Electoral Commission and its chairman?

The second round, which Yeltsin did not even want to hear about when he predicted that he would storm to victory 16 June, should be very edifying to the voters themselves and those who are ready to resolutely defend their rights.

Russia: Zyuganov Expects 'Two-Thirds' of Lebed Votes

MM2106090196 Moscow PRAVDA-5 in Russian 21-28 Jun 96 p 2

[Report by Olga Koroleva and Vladislav Chukanov on Gennadiy Zyuganov's 18 June press conference in the State Duma's smaller auditorium: "Predictions, Chances, Hopes. Gennadiy Zyuganov Press Conference"]

[FBIS Translated Text] [PRAVDA-5] Gennadiy Andreyevich, if you win the election, what will you do first?

[Zyuganov] There will be no victory. Everyone will suffer a crushing defeat in a humiliated, plundered country. There will be intensive work ahead.

The country is split. All the south and the west — traditional Russian lands — supported us.

Everyone realizes that any political force that comes to power will not be able to cope autonomously. It will have to form a government of national confidence that reflects the real mood of citizens.

Next week the composition of our coalition government — which will include representatives of many opposition parties and social organizations reflecting the interests of all social strata — will be announced. It will be a government of national confidence.

We are not calling on everyone to build communism. We are proposing that a government of national confidence be set up.

[PRAVDA-5] How do you assess the results of the first round of the presidential election?

[Zyuganov] Around 32 percent of those who took part voted for me and around 65 percent voted against Yeltsin. Apart from me almost everyone — Lebed, Zhirinovskiy, Yavlinskiy, and Fedorov — criticized Yeltsin's policy.

It is very nice that, despite the mudslinging we have had to put up with, I received 34 percent of the vote even in Novocherkassk — Lebed's home town — Yeltsin got around 29 percent, and Lebed got 24 percent. It was the same picture in other Cossack areas. In Verkhnedonskiy Rayon Zyuganov got 37 percent, while Yeltsin got 16.

Although only around 20 percent of Russian citizens in the Baltic republics were able to take part in the election (there were few polling places and people spent hours waiting in line), they clearly voiced their attitude to the current Russian leadership. Most of them backed me — I won 60, 70 percent, or more in those republics.

It was mainly our fellow countrymen in Israel who voted for Yeltsin as well as, interestingly, the prisons and the mental hospitals — almost all of them.... [Zyuganov ends]

State Duma Deputy Yuriy Ivanchenko added:

"There have been cases confirming our fears about falsification of the voting results. There were massive falsifications in Rostov Oblast. Around 400,000 false ballot papers marked 'for Yeltsin' (!) were discovered in Rostov-na-Donu. The fraud was intercepted in time. The case file has been passed on to the Prosecutor's Office."

[Zyuganov] There were many such violations. Even now the presidential team is forgetting about the laws. Under the law it is forbidden to engage in campaigning until the final results of the first round have been announced, but the mass media is constantly praising Boris Nikolayevich....

[PRAVDA-5] Tell us about your meeting with Aleksandr Lebed.

[Zyuganov] Lebed and I discussed the problem of security — national, economic, territorial, military, public, family, and personal security. There was a mutual understanding that measures need to be taken to guarantee security.

As for Lebed's electorate, we are confident that two-thirds of Lebed's voters will support us. An electorate cannot be passed on like serfs — people will choose whoever will consistently implement a policy in the interests of the majority of the population. We have opposed and do oppose corruption and crime; we stand for national state interests.

The country's security is the main aim for both "left-wingers" and "right-wingers." In the event of our winning, we will be able to give Lebed a job — he should be working — but in the second round two-thirds of his electorate will vote for us.

Yeltsin has given up all his own people — the first government, the second, and he will give up the latest lot too. This shows that he has no principled policy.

[PRAVDA-5] What if Yeltsin offered you the post of prime minister, would you take it?

[Zyuganov] I am prepared to cooperate with anyone in Russia's interests. It is only through joint efforts that we will be able to get the country out of the crisis.

[ASAHI TV, Japan] ITAR-TASS has carried a report that Yeltsin will not be attending the "G-7" summit in France....

[Zyuganov] That is a great pity. He absolutely needed to go there — to report on why he had failed in the first round and to give an account of the money he has spent.

The Germans gave us 4 billion marks — he should report on where that money went....

Huge amounts of money have been spent on Yeltsin's election campaign. Before the first round he signed a number of edicts whose implementation cost 60 trillion rubles [R]. Salary arrears have increased from R17 trillion to R24 trillion.

A tidy sum has been spent by Yeltsin on advertising. Just take posters. Some 2,000 large posters of Yeltsin have been plastered around Moscow — at a cost of $7-10,000 each....

[ZAVTRA] The Yeltsin team has spread the slogan "Zyuganov Means Corruption, Famine, and War." Do you think that this psychotronic weapon has influenced voters?

[Zyuganov] The Yeltsin team has tried to dig up compromising material on me. They sent "gofers" to my native village, my alma mater, and everywhere I ever worked — and were unable to find a single compromising fact, even though I was the number two man in the city, dealt with trade, and was in charge of other spheres of life.

Yes, intimidation is their main method. They used to intimidate us with the external threat, now it is the internal threat. But the election results have shown that the people cannot be intimidated.

We are striving to explain to people just who is really to blame for the war and the genocide that resulted in the deaths of 15 million people.

I invite Yeltsin to engage in a TV debate with me on any channel. I am ready to discuss any subject with him and to answer any question from him. If he is incapable of taking part in TV debates, I invite him to a joint session of the Federation Council and the State Duma, where we will both be able to put forward our programs for getting the country out of crisis.

[ZAVTRA] Is the date of the election of importance to you?

[Zyuganov] It makes no difference to us when the second round is held — we are confident about our strengths. The date is not the important thing. The main thing is to ensure that the election is honest.

Yeltsin is in a hurry, because 1.5 million people have already bought travel tickets and will be going on vacation in July. Half a million "shuttle traders" will be leaving to buy goods, and several million students will be going on vacation.

Moreover, 4 July is the U.S. national holiday — Independence Day — and Yeltsin will clearly be in a hurry to give the Americans a present.

Russia: Zyuganov Has 'Nothing up His Sleeve' for Second Round

MM2106105296 Moscow ROSSIYSKIYE VESTI in Russian 21 Jun 96 p 2

[Article by Feliks Babitskiy: "Presentation of Shadow Cabinet Will Cost the CPRF Votes"]

[FBIS Translated Text] The Communist Party of the Russian Federation [CPRF] leader, it is said, is still cheerful. He even took General Lebed's entry into the president's team calmly. He is saying that this will make things tougher for Lebed — his voters will automatically "turn red" now. Seeing the general secretary's radiant smile above his starched collar and $100 tie, you cannot help starting to believe that even the earth is spinning according to a plan coordinated with him.

Unfortunately, the number two presidential contender's real situation is somewhat worse than he makes out. He already has the votes of all the CPRF's supporters. He is not very likely to win votes from his rivals.

Meanwhile, the reason for Zyuganov's failure in the big cities is absolutely clear. While mercilessly criticizing his opponent he failed to tell the voters two simple things:

— what was bad about the old regime — what legacy bequeathed by the All-Union Communist Party (Bolsheviks)-Communist Party of the Soviet Union does he repudiate?

— and what things of value has the country acquired and what will his regime not abolish under any circumstances?

At the moment it seems that everything before "perestroyka" was excellent whereas now things are worse than you can imagine. A sensible individual — even in his own party, let alone nonpartisan voters — cannot agree with that. But the general secretary is not going to spell it all out lest he frighten away his most loyal voters — demonstrating pensioners.

The impact that the news of the cadre appointments and the radical actions of the president and the government are having on Zyuganov cannot be discounted either. This impact is beyond comparison with the impact of political advertising, to which the people have already developed an allergy. Yeltsin is now signing edicts on new appointments (Lebed is a "trump card" but certainly not the only one in his "pack") and on the redistribution of powers among them and this is keeping the ordinary television viewer and radio listener in a state of uneasy tension. Clearly in the days ahead there will be edicts and directives on the fight against crime and other actions to normalize the situation in the country.

But at the moment Zyuganov can only make promises (and all the election promises have already been given) or react to his rival's actions in the style of "do not believe a word of it" (although everyone wants to believe). The only option he has left is to produce his last trump card (as the whole press, radio, and television fraternity are expecting him to do) — the so-called government of people's confidence. But given that this really is his last trump card the general secretary should save it until the day before the election. However, the sequence of speculations leads to the ultimate conclusion that Gennadiy Andreyevich has nothing up his sleeve.

It seems that there is not going to be a reply from the "third force" to the CPRF leader. Valentin Kuptsov (the number two man in the party) has already stated that a meeting with Lebed is absolutely pointless. But the Security Council secretary has paid the Communists in their own coin, saying that "a meeting will undoubtedly take place because the job now is to listen to everyone." Grigoriy Yavlinskiy has also rejected the possibility of cooperation with Zyuganov, especially since the way to the president's team has not been barred to him yet. Even Sergey Glazyev, who actively cooperates with Lebed but has not been given a place of honor in his team yet, is vacillating at the moment.

The story about talks with existing members of the government has been only partly confirmed so far. Soundings have indeed been taken at deputy minister level but they ended unproductively. There was no one among them who would risk agreeing to join the "red" cabinet before the change of government.

So it transpires that the "shadow" government will consist entirely of familiar names. But let us imagine for a moment that Zyuganov has already become our president. Being of sound mind, long memory, and clear vision, will he really risk appointing Anpilov, for example, as general director of the State Committee for Television and Radio Broadcasting simply because he was a television reporter once? The same applies to the majority of leaders of the national patriotic bloc. Once again, the voter is not a fool and the presentation of such a cabinet will cost the CPRF a great many votes.

So it would seem that Gennadiy Andreyevich would be well advised to keep his "sixes" well hidden up his sleeve and hope that if he wins the "aces" will come to him of their own accord.

Russia: Zyuganov Statement Warns of 'Civil Confrontation'

MM2106105396 Moscow Communist Party of the Russian Federation State Duma Faction Press Service Press Release in Russian 20 Jun 96

[Press release issued 20 June by Communist Party of the Russian Federation State Duma Faction Press Service providing "An Appeal to Compatriots" from presidential candidate G.A. Zyuganov; received via fax]

[FBIS Translated Text] For the information of the mass media!

We are sending you the Appeal to Compatriots from G.A. Zyuganov, the Russian Federation presidential candidate from the people's-patriotic forces.

Compatriots, Voters, Representatives of All Strata of Our Society!

As the Russian presidential candidate from the people's-patriotic forces, I am appealing to you at an alarming and terrible time.

Despite unprecedented and open use of the state apparatus, tremendous sums of money, and almost all the mass media, B. Yeltsin lost the first round of the elections. Not one of his promises to voters has been kept or will be kept. The conflagration of civil war burns on in Chechnya. Millions of people have still not received their wages, pensions, or pitiful allowances. More and more enterprises are coming to a standstill. Crowds of refugees and beggars are swamping Russia. Meanwhile members of the president's campaign team are carrying suitcases of dollars out of Government House. B. Yeltsin has failed as guarantor of the constitution.

We repeatedly warned that the authorities might do anything when they lost the first round of the presidential elections. To our great regret, our fears are being borne out. Not the patriots, not the Communists, but B. Yeltsin and his odious entourage have kicked up desperate hysteria and have stoked to the maximum the already complex situation in the country. Mythical conspiracies and coups are announced daily. Unconcealed pressure is being exerted on voters. Threats are being issued to the people's-patriotic forces.

In an attempt to hold on to power, the president is frantically changing his team. Sordid showdowns and backstage games are taking place. People who seemed closest and most devoted to him are being dumped. These are not palace intrigues. This is a well thought-out game and fulfills the instructions of the forces that have been wrecking Russia for many years now. A fifth column is operating actively in the country. The forces of the past are rising up again. The people who were at the origin of the plundering of the country are straining to come to power. The Satarovs, Shakhrays, and Burbulises are taking revenge. Who these people belong to and whose instructions they fulfill is clear to everyone when Chubays speaks in the name of the president. There is a threat that the elections will be wrecked, a threat to democracy and to Russia's unity. The "Yugoslav" scenario is being enacted on the territory of a huge country with the aim of totally enslaving it and establishing unbridled despotism.

Replacement of the current president himself, who has lost his immediate entourage, cannot be ruled out in these conditions. He is vulnerable and controlled by forces alien to Russia.

The people's-patriotic bloc declares: The fatherland is in danger! The infighting around the decrepit B. Yeltsin, who is increasingly losing the reins of government, could lead to brutal civil confrontation and have tragic consequences.

I appeal once again to Russian voters: Whether you are worker or entrepreneur, peasant or soldier, financier or veteran, be aware that what is happening in the Kremlin today may hit each one of you hard tomorrow and blow up the whole of Russia.

We declare once again that we remain resolute opponents of civil war, the disastrous stratification of society, its unprecedented criminalization, spiritual impoverishment, and the humiliation of our national dignity.

Russia's patriots advocate holding honest and fair elections without fail as scheduled by the law. The will of the people as expressed in elections is sacred so far as we are concerned. And we will obey this choice without question.

If I am elected I will form a government of people's trust in which all the most influential forces in society capable of calmly extricating the country from the extremely profound crisis on the basis of democratic institutions will be represented.

Not Yeltsin and his dubious entourage, but only true patriots of Russia and its great people will be able to preserve and defend their fatherland!

[Signed] G. Zyuganov, presidential candidate from the people's-patriotic forces

[Dated] 20 June 1996

Russia: Lebed Interviewed on Plans for Army Reform

LD2106111596

[FBIS Report] St. Petersburg Fifth Channel Television Network in Russian at 0830 GMT on 21 June carries a 22-minute recorded "Vote or Lose" program with Aleksandr Lebed.

Asked by a member of the studio audience about his plans for army reform, Lebed states: "Victors should serve in the army, victors by nature, by spirit, for unfortunately commanders spend 70 percent of their time on a completely fruitless struggle against all sorts of wonders who simply are in the wrong place, who could be doing something somewhere elsewhere!" Lebed said that all concerned would be much happier if only the right people serve in the army.

He continues: "How should the army be reformed or reorganized? That won't require any special investment. On the contrary, it will be reduced. If one takes today a map of Russia and puts the headquarters of all divisions and brigades on it and shows it to someone, it will seem to him that it is a monster of a country! Look how many divisions, how many brigades it has!"

Journalist Aleksandr Melikhov askes: "Can you really say that you won the war in the Dniester region and what were your services in that operation, which to all appearances, judging by the results was successful?"

Lebed replies:"I did not so much win it as halt it. At first I tried to do that in a civilized manner. I went back and forth across both banks of the river for two days and asked: 'What are you fighting for?' Nobody could answer that question."

He continues: "I delivered a general speech and warned that we would not fight any longer and would begin to recall that we were homo sapiens and to think, to reach agreement. They didn't understand me. I then had to crank up all the batteries, to sink a battalion at a crossing, to sweep away the area of troop concentration! After all that, everybody realized right away that war is a bad thing, that there must be reconciliation, that people must live well, in a civilized way! They signed something! There was peace! It is still there! Thank God!"

Russia: Duma Rejects Extension of Voting Time at Elections

LD2106111996 Moscow ITAR-TASS in English 1106 GMT 21 Jun 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, June 21 (Itar-Tass) — The State Duma rejected today the amendment to the law "On election of President of the Russian Federation", which envisaged the extending of the voting time at the presidential elections, making it from 06.00 to 24.00. Only 117 legislators supported the amendment, 202 voted against it and no one abstained from voting.

The amendment was put forward by a group of members of the lower chamber of parliament, specifically, Sergey Belyayev, head of the parliamentary group of Our Home Is Russia movement, and ex-Chairman of the State Duma Ivan Rybkin.

CIS: ITAR-TASS Carries Press Review for 21 Jun

LD2106063896 Moscow ITAR-TASS in English 0513 GMT 21 Jun 96

["Press Review" — ITAR-TASS headline]

MOSCOW June 21 (Itar-Tass) - Follows a review of Friday's Moscow- based Russian newspapers dated June 21.

IZVESTIYA and KOMSOMOLSKAYA PRAVDA run reports about the latest staff reshuffle in the Kremlin.

"The President has made his choice. Putting things in order has begun with the straightening out of things in the Kremlin" is the headline under which IZVESTIYA runs notes about the latest personnel reshuffle in the Kremlin.

The newspaper quotes General Korzhkov as saying on the night from June 19 to 20 that "The President will win the elections but only due to genuine patriots". This phrase, IZVESTIYA believes, reveals the gist of the matter. The General hurried to privatise Yeltsin's victory which is not yet in the bag.

The newspaper also runs a column of reports on the development of events on June 19-20 and carries the profiles of those sacked.

IZVESTIYA on Alla Dudayeva's failure to appear for questioning as witness.

Alla Dudayeva, the widow of the Chechen president, was summoned to appear at the Federal Security Service FSB reception room on Kuznetsky Most Street in Moscow on June 20 to be questioned as a witness. But she failed to appear. It turned out that her whereabouts have been unknown for a week. "Where did Alla Dudayeva disappear to?" the newspaper's analyst asks.

ROSSIYSKAYA GAZETA analyses a tentative layout of a future party system.

"Apparently, the renewed Russia is Our Home movement will have to exert serious efforts so as to adequately and effectively react to such a powerful opponent as the Communist Party of the Russian Federation (CPRF). It is essential for the Movement to make the national-patriotic idea an absolute dominant feature of its politics," the newspaper points out.

ROSSIYSKAYA GAZETA about the Defence Ministry's most hush-hush Special Control Service (SCS).

"In theory, it is possible to shift the plutonic strata of the Earth but this is not the sphere of our activities. We are explorers and we have availbale a vast amount of information on the tectonic condition of the Earth. The task of the SCS is not to disturb the planet but to listen to it," Major-General Yuriy Cherepanov, SCS chief, told the newspaper.

ROSSIYSKIYE VESTI and KRASNAYA ZVEZDA on Thursday's regular meeting of Russia's Security Council.

At the opening of the meeting, the Head of State introduced the newly-appointed Secretary of the Council, Aleksandr Lebed, Assistant to the President on National Security Affairs.

ROSSIYSKIYE VESTI on CPRF shadow cabinet.

In an article headlined "The presentation of a shadow cabinet by the Communist Party will cost the CPRF a lot of votes", the newspaper writes that "the actual position of Number Two presidential candidate is somewhat worse than he visualises it. The CPRF has activated its own electorate to the full and is unlikely to be able to win the votes, cast to other candidates in the first round, over to its side."

KRASNAYA ZVEZDA on the fixing of July 3 as a date for an election runoff.

"The situation has cleared up. On an instruction from President Boris Yeltsin, the government has passed a resolution declaring July 3 a day-off. It is precisely on that day that the second round of the presidential elections is to be held".

KOMSOMOLSKAYA PRAVDA carries an interview with the Russian President's younger daughter Tatyana Dyachenko. Boris Yeltsin suggested that she join his election-campaign staff.

CIS: OSCE Effort in Karabakh Settlement To Become More Effective

LD2006182096 Moscow ITAR-TASS in English 1501 GMT 20 Jun 96

[By Aleksandr Kuzmin]

[FBIS Transcribed Text] VIENNA June 20 (Itar-Tass) — Ways of enhancing the effectiveness of the efforts of the Organisation for Security and Cooperation in Europe (OSCE) aimed at the settlement of the conflict in Nagorno-Karabakh were discussed here today at a meeting between OSCE trio, including foreign ministers of Hungary, Denmark and Switzerland, and co-chairmen of the OSCE Minsk conference on the Karabakh settlement. A report of leaders of the Minsk conference was heard at a meeting of the Standing Council of OSCE.

Representatives of states participating in the European process follow the settlement of the Karabakh conflict with special attention, Valentin Lozinskiy, co-chairman of the Minsk conference, told Itar-Tass.

The Minsk process is complicated, he said. Following the Moscow meeting, talks on the Karabakh settlement will be continued in early July in Stockholm. The Minsk group worked out a coordinated basis for the settlement of the conflict outlining the framework of the future agreements by which the conflicting sides are to guide themselves.

Considerable effort should still be made to resolve specific questions. The Russian side plans to continue the work through shuttle diplomacy. "We proceed from the view that the sides should find a compromise in resolving both military and political questions with a view to restoring peace in the region, and the Minsk conference on OSCE should play an important role in the effort to reach such a compromise, Lozinskiy said.

Baltics: Baltic Leaders, Clinton To Discuss Changes in CFE Treaty

LD2006142296 Moscow INTERFAX in English 1352 GMT 20 Jun 96

[FBIS Transcribed Text] RIGA, June 20 (Interfax) — Presidents Guntis Ulmanis of Latvia, Algirdas Brazauskas of Lithuania and Lennart Meri of Estonia are expected to meet with U.S. President Bill Clinton in Washington on June 25 to discuss security issues.

They also plan to discuss possible changes in the Conventional Forces in Europe [CFE] treaty, Latvian presidential press office told Interfax Thursday.

A memorandum of understanding signed between the United States and Russia in Vienna on June 1 has caused concern among the Baltic countries because it envisages allowing Russia to increase its military contingent in the Pskov region, near the borders of Latvia and Estonia.

The Baltic leaders will also meet with U.S. Secretary of Defense William Perry and U.S. congressmen.

Officially, the three presidents are visiting the United States to receive an annual award of the U.S. East and West Institute.

Russia: Grachev Turns Down Post as Russian Representative at NATO

LD2006155596 Moscow NTV in Russian 1500 GMT 20 Jun 96

[From the "Segodnya" newscast]

[FBIS Translated Text] The POSTFACTUM agency reported today that former Defense Minister Pavel Grachev has turned down the post of the Russian representative at NATO, which has been offered to him. According to a source at the Defense Ministry, Grachev made it clear that he would not be able to change anything in NATO's plans but that it was not the done thing for a fighting general to be a general for "decoration" only.

Russia: Minister: G-7 Leaders Accept Yeltsin's Not Attending Summit

LD2006211696 Moscow INTERFAX in English 1802 GMT 20 Jun 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — The G-7 leaders have shown understanding to the decision by Russian President Boris Yeltsin not to go to the G-7 summit in Lyon, France, on June 27-29, Russian First Deputy Foreign Minister Igor Ivanov told Interfax on Thursday.

"Russia is entering a very important period," Yeltsin had said with regard to his change of plans.

"Russia will face a runoff in several days. The future of Russia is to be decided on, and the decision will influence the situation in the world in many respects. In this situation I would have rather gone to Lyons. But my staying here is more important," Yeltsin said.

"Participation in this summit is very important for Russia," he said. "I was waited for there. This summit will consider support of Russian reforms, and a corresponding document is being prepared.

"But here every day has an enormous value," Yeltsin said.

According to Ivanov, Yeltsin's decision will in no way affect Russia's image in the Group of Seven. "Any state leader would act in the same way in similar conditions," he said.

Prime Minister Viktor Chernomyrdin will represent Russia at the Lyon summit in place of Yeltsin.

According to Ivanov, this does not mean that the formula of the Lyon summit will be changed.

He particularly noted that already the G-7 leaders, commenting on the decision by the Russian president, use the word Group of Eight, or G-8. "This shows," said Ivanov, "that the question of transforming G-7 into G-8 is virtually predetermined."

Russia: Chernomyrdin Lyon Trip Previewed

MM2106090696 Moscow IZVESTIYA in Russian 21 Jun 96 p 3

[Report by Yuriy Kovalenko: "Chernomyrdin May Remain in the Shade in Lyon but He Will Sleep in Yeltsin's Bed"]

[FBIS Translated Text] Paris — And so Yeltsin is not going to the meeting of leaders of the most developed industrial states which will be held under France's chairmanship in Lyon 27-29 June and he is sending Chernomyrdin instead.

Even on Monday, immediately after the first round of the elections, Boris Yeltsin was talking by telephone with Jacques Chirac with whom he spent a long time talking over key elements of the summit meeting.

But on Wednesday morning he telephoned Clinton and then Chirac to give an explanation of the reasons (the elections and the complex situation in the country) for his failure to go. It so happened that at the time of the conversation between the Russian and French presidents a luncheon-cum-briefing was being held at the Elysee Palace for a few correspondents, including IZVESTIYA's correspondent, to mark the summit and Boris Nikolayevich's arrival.

Paris, although it was taken by surprise at the unexpected news, reacted coolly, without anger and, at least verbally, treated with understanding the cancellation of the visit — in part because Russia has long had a reputation as an unpredictable country. But if Boris Nikolayevich would have played the part of one of the summit's main starts, there is a threat that Chernomyrdin will remain in the shadows.

So far it is hard to say exactly what changes the organizers of the Lyon forum will make to the program of sessions and to the entire minute by minute ritual prepared when they were expecting the arrival of Boris Nikolayevich and Naina Iosifovna, including a rose specially grown for the latter.

The closest advisers of the heads of state — the "sherpas," which is what the mountain guides who lead mountain expeditions in Nepal are called — rapidly undertook to make amendments. The Russian "sherpa" is Economy Minister Yevgeniy Yasin.

The composition and entire disposition of the Russian delegation will undergo substantial changes. A different team will arrive with the premier and will be accommodated in the "Lyon Metropole" hotel for which Russia has paid in advance. It is to be supposed that Viktor Stepanovich himself will take the apartments intended for Boris Nikolayevich with their bullet-proof windows and mirrors in the ceiling.

On the eve of the meeting the French asserted that they had managed to find the "desired balance" between the interests of the "G-7" on the one hand and Russia on the other. (Incidentally, Moscow prefers not to use the figure in the name of the summit because that makes it seem to be a not entirely full participant. Moreover, in Lyon there will not be the long-awaited transformation of the "seven" into the "eight").

It was planned that in Lyon, apart from anything else, there would be an examination of the question of Russia's admission to the Club of Paris, which unites the main creditor countries.

On the second day the "seven" will be joined by Chernomyrdin, whom Chirac must brief beforehand on the results of the discussion of economic questions. After which the "eight," as they will now be, will study international and global problems.

The former include Bosnia and the Near East and the latter the safety of nuclear electric power stations, organized crime, terrorism, drugs, energy, the environment, and so forth. For several months preceding the summit experts from the eight countries have together been preparing suggestions for the struggle against the criminal world, many of which are being kept secret.

IZVESTIYA was told at the premier's press service that Viktor Chernomyrdin's trip to Lyon will take place whatever the circumstances and "whatever the weather."

Russia: Primakov Backs More Active Foreign Policy

LD2006190896 Moscow INTERFAX in English 1802 GMT 20 Jun 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — Russian Foreign Minister Yevgeniy Primakov categorically disagreed with those who say that Russia should first solve its internal problems and only then intensify its foreign policy.

"Such views do not stand any criticisms," he said. "An active foreign policy is required first of all to solve internal problems we are facing."

The speculations that it is not the moment for Russia to intensify its foreign policy in all directions are unfounded, because they fail to take into account Russia's military, economic and intellectual potential, Primakov said.

"The very international situation requires Russia to be not simply a historically great power, but a great power at this moment when we witness a shift from the 'cold war' to completely another global system," he said.

Primakov highlighted three negative trends which require Russia's active interference in international politics.

The first negative trend is to pretend that there are 'cold war' victors and 'cold war' victims, to play on the so-called Russian failure, on the breakup of the former Soviet Union and the Warsaw Pact, he said.

The second negative trends aims to create a monopolar world, to make the interests of other states subordinate to those of a great power, Primakov said. "I do not believe that the U.S. administration is deliberately pursuing this line," he said. "However, thoughts about a monopolar world, unfortunately, exist in some politicians' minds."

The third negative trend Russia should fight against is to integrate Russia in the world economy as a raw materials appendix, Primakov said. "The opening of the Russian economy must not be accompanied by Russia's joining the world economy as a raw materials appendix," he stated.

Russia: Foreign Ministry 'Concern' at U.S. Butrus-Ghali Veto Plan

LD2106095696 Moscow INTERFAX in English 0930 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — A high-ranking staffer of the Russian Foreign Ministry expressed concern with the U.S. plans to veto re-election of U.N. Secretary-General Butrus Butrus-Ghali in an Interfax interview Friday.

He said these plans "are unprecedented and exceed the universally-recognized limits."

The election of the U.N. Secretary-General "is a delicate theme, which does not presuppose a public discussion. As for the opinion of permanent members of the U.N. Security Council, it is never disclosed," said the diplomat.

The U.N. Secretary-General is elected in secret ballot at a session of the U.N. General Assembly with the approval of the U.N. Security Council. "A candidate to the U.N. Secretary-General, who is neither formal nor representative, cannot be elected without consensus at the U.N. Security Council," he said.

The time for elections has not been fixed. The elections are expected to be held in October-November 1996.

The diplomat did not comment on Russian preferences in the elections. "We would not like to follow the American example and take up public diplomacy in such a delicate situation, the more so since none but Butrus-Ghali has officially announced his intention to run for the U.N. top post," he said.

Ex-Israeli Prime Minister Shim'on Peres, U.N. High Commissioner for Refugees Sadako Ogata (Japan) and some others have unofficially voiced their intention to run for U.N. Secretary-General.

"Butrus-Ghali had rather good chances for reelection before the Americans made their statement. Now the Security Council will have to choose a candidate acceptable for all," said the diplomat.

Butrus-Ghali visited Moscow in May 1996, when he gained Russian support for his re-election, sources in his circle told Interfax.

Russia: Primakov Calls For Normal Relations With Iraq, Libya, Cuba

LD2006191296 Moscow INTERFAX in English 1802 GMT 20 Jun 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — Russia does not regard relations with developing countries as part of confrontation with the West, Russian Foreign Minister Yevgeniy Primakov told professors and students of the Moscow State Institute of International Relations Wednesday.

He said Russia must have normal relations with Cuba, Iraq, Libya and other "hard partners."

According to him, the Cuban leadership understands the positive effect of deideologizing relations.

Moscow and Havana are interested in defending their interests which are to a large extent similar geopolitically, said Primakov.

He pointed out Havana's desire to normalize relations with Washington, in which Cuba is asking Moscow for help.

Asked whether Russia intends to seek compensation for losses in connection with international sanctions against Yugoslavia, Primakov said Moscow had repeatedly raised the issue but so far to no avail.

"Many countries claim compensation for losses brought about by sanctions against the Federal Republic of Yugoslavia but there is the question of what budget should cover these losses," he said.

Russia: Duma Draft Law on Trade With Libya Viewed

MM2106095096 Moscow IZVESTIYA in Russian 21 Jun 96 p 3

[Report by Vladimir Mikheyev: "We Can Trade With al-Qadhdhafi Without a Special Law"]

[FBIS Translated Text] The draft law examined by the State Duma on Friday, designed to break down the fence of economic and trade restrictions allegedly erected by the Russian Government around the Libyan Jamahiriya, could become a model of truly flexible and pragmatic diplomacy. As long as the fact of the malicious or involuntary oppression of the USSR's former major partner by the present executive power were in need of no proof.

Inasmuch as the State Duma committee for geopolitics, from whose depths the future law, known provisionally as the "law on cooperation," appeared did not consider it necessary to reveal its content until the deputies had approved it at the first reading, we had to collect the opinions of authoritative experts familiar with its spirit and letter.

"In principle no special law is necessary to move bilateral trade and economic relations from a standstill," was the rather emotional way in which a leading expert from the department of African and Near Eastern countries at the Foreign Economic Relations Ministry commented on the situation.

"Why break down an open door? Indeed, volumes of business cooperation with Libya compared with previous years have declined but this process is proceeding and in recent months has acquired quite positive dynamics," a Russian diplomat said.

The draft law submitted to the people's elected representatives for approval is aimed primarily against the government which in its authors' opinion has been too zealous in accepting the "valuable guidance" from the United Nations. It is a case of resolution no. 883, which banned the delivery to Tripoli of a whole series of strategic goods, primarily weapons and dual-application technology. Responding to the sanctions introduced by the United Nations on behalf of the world community, in 1994 the Russian Government adopted law no. 120 to which was appended a list of the "banned" goods. And that was all. Moscow did not think up or introduce any additional restrictions.

To be fair it is worth saying that the Foreign Ministry and the Ministry of Foreign Economic Relations admit that the State Duma legislative initiative "contains a kernel of rationality." But only a very small one. After the visit to Libya in early spring by Oleg Davydov, the deputy chairman of the government, and also after the May talks in Moscow with two Libyan ministers in charge of industry, trade, transport, and communications, a breakthrough was noted in this avenue of trade and economic cooperation.

Associations like "Tekhnopromeksport" and "Tekhmashimport" are actively satisfying Libya's current requests for Russian output and in turn 14 associations headed by "Mashinoeksport" have formed a consortium to create a Russian-Libyan investment company.

In September there will be the first session of the bilateral intergovernmental commission which will discuss not only Tripoli's debts which, according to recent reports, total $3.3 billion, but also an invitation to take part in the construction of several large projects on Libyan territory worth $10-11 billion.

In brief, the caravan is in motion despite the operation of the sanctions, an employee of the Ministry for Foreign Economic Relations said in an interview with IZVESTIYA. In his opinion the printing of the 1,500-page list of goods banned for export to Libya would be far more useful than a special law.

Russia: Third Cuban Seeks U.S. Asylum 'Via Moscow'

MM2006150996 Moscow IZVESTIYA in Russian 21 Jun 96 p 3

[Report by Yevgeniy Bay: "People Now Flee to Miami From the Island of Freedom Via Moscow"]

[FBIS Translated Text] A Cuban who introduced himself as a diplomat who had worked in Moscow has asked for asylum at Miami's International Airport.

Apparently, he was not carrying a passport — which fact could only make people ask how he was able to get from Moscow to Miami on an Aeroflot flight. The U.S. Immigration and Naturalization Service was assisted by one Carmen Sosa, who declared that the turncoat was her husband, Nestor Antonio Sosa, who was engaged in organizing tourism to Cuba in Moscow.

"But, of course, he was very well known in Moscow," a representative of the Cuban airline Cubana de Aviacion told IZVESTIYA.

It turned out that he had worked in Russia for about 20 years. He speaks excellent Russian and English and is extremely communicative. Back in the late seventies Nestor Sosa was involved, together with the Komsomol Central Committee, in preparing the International Youth and Student Festival in Havana. Recently the fugitive was a representative of the Cuban Ministry of Tourism in Russia, coordinating Havana's activities with all Russian travel firms which send tourists to Cuba.

The Cuban Embassy, to which we applied, refused to provide us with any information on Nestor Sosa. This is not surprising, for, according to our information, representatives of such Cuban establishments abroad are regular staffers of the special services. In recent years they have been instructed to fill the treasury with currency, and they are setting up a wide commercial network in Moscow, which includes travel agencies, restaurants, and casinos.

Nestor Sosa is the third Cuban fugitive to arrive in the "promised land" of Florida by way of Moscow. In 1993 Jesus Rensoli, adviser to a minister at the Cuban Embassy in Russia, vanished in mysterious circumstances along with his wife, two children, and his official vehicle.

In the same year Julio Malvarez, correspondent for the PRENSA LATINA Agency, who had worked in Moscow, decided to quit Cuba.

The list of Cuban diplomats from other countries who have asked for asylum in the United States is very long. As a rule, they accept asylum on any terms. The Cuban diplomat Carlos Valdez, who had worked at the embassy in Ecuador and fled to the United States in 1994, declared that "he is prepared to do anything you like, only not to be a representative of a communist country."

Russia: Duma Opposes U.S. Increase in Missile Program Funding

LD2006153396 Moscow ITAR-TASS in English 1500 GMT 20 Jun 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, June 20 (Itar-Tass) — A U.S. Congress decision providing another 300 million dollars to the creation of anti-missile systems contradicts the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM), Russian State Duma expert Georgiy Krashennikov told Tass on Thursday.

According to Krashennikov, the decision to increase financing for 1997, which was approved by American law-makers on Wednesday, reduces the effectiveness of the treaty which had put tight limitations on the deployment of anti-missile systems.

The violation of the ABM Treaty by the U.S. may result into retaliatory measures by Russia, such as suspension of work on the reduction of its strategic nuclear weapons, as stated in earlier treaties, including START-1, he said.

The expert did not rule out other tit-for-tat steps.

Russia: U.S. Defense Manufacturers Involved in Oil-Gas Projects

MM2006143296 Moscow FINANSOVYYE IZVESTIYA in Russian 18 Jun 96 p II

[Report by Konstantin Baskayev: "U.S. 'Defense Industry' Modernizing Russian Oil and Gas Sector Enterprises"]

[FBIS Translated Text] This week saw the opening in Moscow of the "Neftegaz-96" exhibition, in which around 500 companies from various countries of the world are participating. At this exhibition a group of U.S. engineering companies announced that they had entered the Russian fuel and energy market.

Cooper Cameron, Bristol Babcock, Dresser Industries, Maykon Pauell [as transliterated], Schlumberger, and other companies from the U.S. military-industrial complex are participating in the development of the Russian fuel and energy complex.

In all Russian and U.S. oil and engineering companies are carrying out joint projects in the oil and gas complex valued at a total of $25 billion. One of these projects, which is being realized by the Litvin [as transliterated] company and entails the construction for the "NORSI" company (Nizhniy Novgorod) of a catalytic reforming facility with a capacity of 1 million tonnes a year, should be completed by June 1997.

Litvin, a U.S. engineering company which is part of the Raytheon military-industrial group of companies, carries out project and design work, delivers equipment, and constructs oil refineries and polymer and chemical enterprises. In all the company works in 16 countries with more than 40 clients. Litvin has been known in the former USSR since the sixties, when the company built a gas and gasoline plant and a combine for the production of cyanides. In recent years Litvin has been involved in the construction of several gas processing complexes for projects in the Tengiz gas fields (Kazakhstan) and catalytic reforming facilities in oil refineries in Ufa, Baku, Omsk, and Kstovo, in the development of gas fields and gas production complexes, and in the construction of petrochemical complexes.

Apart from Litvin, the Bedzher [as transliterated] company, which is also a Raytheon subsidiary, is also operating in Russia and the CIS. Its activities includes involvement in the construction of gas processing plants in the Tengiz gas fields in Kazakhstan and work to reconstruct several oil refineries in the former USSR.

The Raytheon Engineers and Constructors company is involved in the development of one of the "Chernogorneft" Joint-Stock Company's oil fields.

As a result of its association with the Litvin company, Raytheon has acquired a number of operations in Europe, including one in France and one in Romania, and a Moscow sales office. The French and Romanian operations specialize in hydrocarbon projects and are particularly successful in the countries of Eastern Europe and the CIS.

Among Raytheon's partners and clients in Russia and the CIS are Mashinoimport, Ufaneftekhim, "NORSI," Chernogorneft, and other companies and enterprises.

Russia: Zyuganav on Relations With Ukraine, Black Sea Fleet

WS2106092196 Kiev INTELNEWS in English 0240 GMT 21 Jun 96

[FBIS Transcribed Text] Moscow, June 20 — If elected president of Russia, Communist leader Gennadiy Zyuganov said Thursday his government will be able to resolve all problems among the CIS member-countries, including relations between Russia and Ukraine.

According to Zyuganov, division of the Black Sea Fleet [BSF] won't be a problem because: "The BSF is a single organism and its division means death for it," he said in remarks exclusive to INTELNEWS.

Re-establishing ties in the areas of policy, economy and culture, will also pose no problem, Zyuganov said.

European experience has been accumulated by the two countries in their relations and his advisors will offer appropriate variants for the relationship between Russia and Ukraine, he said.

Meanwhile, the Communists have changed tactics just after the Russian presidential primary elections from criticizing the Yeltsin administration to promoting the necessity of government earning the peoples confidence.

Russias Presidential Analytical Center director Anatoliy Chubays said at a press conference in Moscow that the Yeltsin-Lebed alliance changes the political landscape. According to Chubays, this isn't simply a new appointment, rather a unification of the two politicians and their programs.

Viktor Iliukhin, chairman of Russias State Duma committee on state security, said Lebeds appointment will push away a certain part of Yeltsins supporters.

Meanwhile, if Zyuganov wins, according to Iliukhin, the Communist leader will install his team of advisors in government, including forming a coalition with Lebed.

Iliukhin speculated that such a government would form single armed forces for Ukraine and Russia under a central command, as well as doing so for other CIS countries. This decision will be justified by the contention that neither Russia, Ukraine, or any other state of the CIS can individually protect their borders.

Russia: Chernomyrdin Remarks on Cooperation With Belarus

MM2006113696 Moscow KRASNAYA ZVEZDA in Russian 20 Jun 96 p 1

[ITAR-TASS report under the "News" rubric: "The Treaty on Creating the Community Is Being Implemented"]

[FBIS Translated Text] The program of priority measures to implement the treaty between Russia and Belarus on deepening integration is being fulfilled except for a number of specific questions, Viktor Chernomyrdin, chairman of the Russian Federation Government, declared at the third session of the Executive Committee of the Community of Russia and Belarus. At the same time, the prime minister emphasized, "today we must go further and devote more attention to the economic base of our cooperation."

According to Viktor Chernomyrdin, there are interesting proposals for specific bilateral economic programs, for the synchronization of economic reforms, and for the creation of unified organs of management. The premier advocated that at least one project relating to joint programs in the economic and production spheres be examined at each subsequent session of the Executive Committee. Viktor Chernomyrdin also devoted special attention to questions with a social thrust. This concerns, above all, the draft agreement on the free exchange of housing between citizens of the two states and on joint work to surmount the consequences of the accident at the Chernobyl Nuclear Electric Power Station. Approaches to the creation of a common customs area of the two states with a joint management service, the formation of a unified meteorological service, and joint work in the sphere of standardization and statistics occupy an important place on the agenda.

Russia: Moscow To Increase Efforts To Free Pilots Held by Taleban

LD2006211796 Moscow INTERFAX in English 1802 GMT 20 Jun 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — Moscow has Intensified its efforts to free the seven Russian pilots held hostage by the Taleban opposition movement in the Afghan city of Kandahar since last August, Russian Deputy Foreign Minister Albert Chernyshev told Interfax.

The Taleban is playing for time by continuing to postpone the pilots' release, he said.

Chernyshev made it clear that the Taleban is using the situation concerning their Russian hostages for propaganda purposes. "From time to time they groundlessly claim that Russia supplied Afghanistan with arms. Though this is a lie, it affects our opportunities to contribute to the endeavors to gain a settlement in Afghanistan," Chernyshev said.

The crew's IL-76 plane, owned by the Aerostan air company based in the internal Russian republic of Tatarstan was transporting ammunition from Tirana, Albania, to Kabul, Afghanistan, via Sharjah, Dubayy, when Taleban aircraft forced it to land. The plane had been sublet to the Afghan government.

Chernyshev said the pilots were in more or less normal condition, "if it is possible at all after almost a year of being held hostage."

The Taleban make inquiries about Afghan nationals missing in action since the late 70s when the former Soviet Union deployed its troops in Afghanistan, Chernyshev said. "We submitted comprehensive information on the Taleban lists several months ago, and are ready to provide additional explanations," he said. "However, this cannot be used as a pretext to hold our compatriots as hostages any longer."

Chernyshev, recently appointed as Russian ambassador to India, will soon leave to enter upon his duties as such.

Russia: Karasin Stresses Importance of Cairo Summit

LD2106100496 Moscow ITAR-TASS in English 0923 GMT 21 Jun 96

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW June 21 (Itar-Tass) — The Arab summit opening in Cairo on Saturday [22 June] was assessed by Russian Foreign Ministry spokesman Grigoriy Karasin as an important event in the Middle East policy at the present stage. "We positively assess Arab leaders' striving for greater coordination of actions and for working out concerted approach to key problems of Arab-Israeli settlement", Karasin told Itar-Tass on Friday. Leaders of Arab states have not held meetings since 1990.

Karasin noted that Russian President Boris Yeltsin had earlier sent greetings to Egyptian President Husni Mubarak, the Chairman of the Cairo summit, and to all participants in the summit.

The message says Russia is interested in ensuring peace, in stability and prosperity in the Middle East and favours the advance in all directions of the Middle East peace process on the basis of the principles endorsed by the 1991 Madrid conference.

The Russian President has also addressed a message to Israeli Prime Minister Binyamin Netanyahu, congratulating him on his inauguration, Karasin said. The Russian President noted that it is essential not to squander the potential created by common effort in the Middle East settlement, to preserve and replenish the achievements in the area.

The message confirms that Russia, as a co-sponsor in the Middle East peace process, will continue promoting the efforts aimed at the resumption of the movement toward historic Arab-Israeli reconciliation, Karasin said.

Russia: Commander Views Forces' Role in Dniester

MM2006142496 Moscow TRUD in Russian
19 Jun 96 p 5

[Interview with Lieutenant General Valeriy Yevnevich, commander of operational group of Russian forces in the Dniester region of the Republic of Moldova, by special correspondent Mikhail Zubov; place, date not given: "I Have No Need To Justify Myself"]

[FBIS Translated Text] Bendery, Tiraspol, and Moscow — The situation, alas, was not too conducive to a detailed conversation. The summer period of combat training had begun in the operational group of forces, the forming of peacekeeping subunits was being completed, and during these hot days Lieutenant General Valeriy Yevnevich could not have been busier. Therefore the interview had to be put together from "fragments" of conversations on the range in Tiraspol, in intervals between visits to military units and the general's meetings with the leadership and inhabitants of the Dniester region....

[Zubov] I do not know whether it is tactful to put such a question to the commander.... Is the Russian Army needed in this region at all?

[Yevnevich] Unequivocally. Because the armed formations of Moldova and the Dniester region are incapable of ensuring stability and peace. People now lead a calm life here, albeit a poor one. This is to the credit of our group of forces, which is capable of fulfilling any combat and peacekeeping tasks.

[Zubov] What does the army of the Dniester region consist of?

[Yevnevich] Several motorized rifle brigades and artillery units. The officers have mainly been discharged from our Army. The weapons, ammunition, and hardware are those that were seized in 1991-1992. In general, mindful of the economic difficulties of the Dniester region (after all, people sometimes simply go hungry), it might make sense not to spend money yet on creating a Dniester army but to use the money to greater benefit....

[Zubov] How are your relations with colleagues from Moldova shaping up?

[Yevnevich] Mutual understanding exists. We have excellent relations with the Moldovan minister of defense, and we coordinate and resolve many questions together.

[Zubov] Can you cite an example of such cooperation?

[Yevnevich] I learned recently that a combat banner had been lost on the territory of Moldova. I contacted the republic's defense minister, and just a few hours later the banner was found and sent to Moscow. It is now in the museum of the 4th Vinnitskiy Artillery Guards Regiment.

[Zubov] How close a contact do you maintain with the Dniester administration?

[Yevnevich] As close as is necessary. The same as if we were in any region of the Russian Federation, since some questions have to be resolved jointly with the administration. Municipal questions, say. Or transport ones.

[Zubov] Local inhabitants do not call you "occupiers"; are there any conflicts?

[Yevnevich] There are sometimes encroachments upon our lands which have been allocated for use by Russian troops. Local inhabitants try by hook or by crook to use them as agricultural land. But this is a detail, and as a whole there are no special problems. Particularly as up to 80 percent of certain officials in our group of forces are inhabitants of the Dniester region and natives of Ukraine and Moldova. They all serve under contract on a voluntary basis and have taken Russian citizenship.

[Zubov] Incidentally, about people under contract: How realistic, in your view, is it to fulfill the president's edict on transferring the Army entirely to the contract system?

[Yevnevich] I believe that it can be fulfilled. For example, over two-thirds of the personnel in our group of forces already serve under contract.

[Zubov] Are their wages higher than the average for the region?

[Yevnevich] The minimum is much higher. The average monthly wage in the Dniester region, if converted into rubles [R], is about R25,000-30,000. There are even lower wages.

[Zubov] With the population being so poor, it seems strange that there are only isolated instances of encroachment upon Army property....

[Yevnevich] Many people try to use us to obtain some benefit. Some leading officials of the Dniester region still have the "syndrome of 1992," when you could take whatever you wanted. They do not want to understand that both Russia and the Armed Forces are different now. I recently attended a session of the chambers of the Dniester region's Supreme Council, but I simply had to get up and walk out. Because I will not have anything to do with people who, instead of tackling real questions, think about war and maintain that I must give them weapons and ammunition. I have constantly to explain to the leadership both of Moldova and of the Dniester region: Don't poke your nose in here, this is Russia's property, and you won't get a single assault rifle or a single cartridge while I am here. Weapons must not be handed over, particularly when there is the likelihood that they will be sold to unscrupulous people. The economic benefit that we bring (leading officials have now started to understand this) can hardly be overestimated.

[Zubov] What does this benefit consist of?

[Yevnevich] On receiving my appointment and coming here, I encountered a crazy situation with regard to supplies. Food was being imported from...Moscow. To here, where, in principle, there is everything and everything is far cheaper. We now import only potatoes from Russia. We buy the rest — meat, butter, vegetables — here and are dependent on no one. It is very advantageous economically and important for this region to have such a buyer.

[Zubov] What other changes are you making?

[Yevnevich] A process of re-formation is under way. This year we have formed 26 out of 52 combined units, units, and establishments. We have fully manned a division and are completing the formation of peacekeeping subunits in Dubossary and Bendery. We have carried out a fourfold reduction in the Army's management and reduced the overall strength of the operational group of forces by 1,526 people. Maintenance costs have fallen, overall, by R61.3 billion a year.

[Zubov] How has this affected people and their combat readiness?

[Yevnevich] People engage in combat training as prescribed and take their place in details in a planned manner, without overloads. Subunits which have nothing to do with the fulfillment of combat tasks have been disbanded. So there has been an increase in combat capability. There are hardly any delays over pay.

[Zubov] A while ago both the region and the 14th Army were objects of close attention. There was literally a flood of information. Suddenly everything subsided. Why?

[Yevnevich] I saw it as my chief task to ensure that the Army finally stopped tackling affairs and questions that were not its business. This succeeded. Normal military work — routine work, if you like — got under way.

[Zubov] And yet from time to time some scandalous information gets through....

[Yevnevich] I myself have already heard plenty of fairytales. I have read (your colleague on another publication really let his imagination run away with him) that we arm the Chechens and that a railcar of grenades was stolen from us. Utter nonsense. Of course, all sorts of things can happen, but we do not conceal them. As the result of a check we uncovered the fact that 360 tonnes of ammunition had not been recorded at all since 1992. Can you imagine? We put on trial one officer who had been stealing and selling ammunition for several years. There are unscrupulous people in the Army too. But we unmask them and make the facts public, to teach others not to do the same. There is no need to invent anything extra. For things already run to fantastic lengths — such as some supposedly lost crossbows with a laser sight....

[Zubov] In general, do you not get the feeling that the press is not overfond of Gen. Yevnevich?

[Yevnevich] A difficult question. But I wish to say one thing. Before criticizing and condemning my actions, say, at the time of the October 1993 events, it is necessary, in my view, at least to conduct an unprejudiced investigation into what happened then. In general, I have no need to justify myself.

[Zubov] How politicized is the Army in connection with the Russian presidential election?

[Yevnevich] The Army is "politicized" only in one respect — it has been and is thinking about how to conduct the summer training period and field exercises with maximum benefit.

[Zubov] How do you see the reforms continuing in the Army?

[Yevnevich] In all questions it is necessary to proceed from expediency. We have clothing for 60,000 people in store. Why, one wonders, if the grouping's strength is not to exceed 6,000? Yet in many regions there is nothing in which to clothe soldiers. Naturally, we will ship out the surplus. There is a huge quantity of ammunition which must be handed over to other units. Over the past year we have removed to Russian territory 266 units of engineer hardware, 260 tonnes of Army property, up to 100 units of special weapons.... The Armed Forces have an acute need for this hardware, and the saving from shipping it out will be somewhere in the region of R100 billion.

There is no point in storing obsolete, faulty ammunition, either — it must be destroyed. In the space of a year we have destroyed 9,000 units [of ammunition]. Next in line are a further 5,000 very dangerous shells with deformed warhead sections and firing mechanisms. But the local authorities are hindering their destruction and hoping to secure them for themselves.

It is also, of course, very important to ensure that not a single soldier is diverted to secondary jobs: no sovkhozes, potato harvesting.... This is not our concern.

In general, in my view, it is necessary to talk and argue less about reforms and undertake more concrete actions.

Political Issues

Russia: Yeltsin Rejects Law on Presidential Inauguration

LD2106084296 Moscow Interfax in English 0726 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — Russian President Boris Yeltsin rejected a law on presidential inauguration Friday, presidential representative to parliament Aleksandr Kotenkov told a meeting of the State Duma.

He stressed the president "is not afraid to pass over his powers" but he has good reasons to reject the bill. The reasons will be presented to law makers in writing later today.

Kotenkov had to give explanations because the fixed period to sign the inauguration bill expired Friday.

Bearing in mind the deputies did not know about progress in the law's signing till the report of Kotenkov, deputy of the communist faction Oleg Shenkaryov made a supposition Boris Yeltsin "is not interested in peaceful constitutional transfer of his powers."

Russia: Yeltsin Meets With Bashkiria, Dagestan Leaders

LD2106104096 Moscow ITAR-TASS in English 1025 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Itar-Tass) — Russian President Boris Yeltsin held meetings with President Murtaza Rakhimov of Bashkiria and chairman of the State Council of Dagestan Magomedali Magomedov today, the Russian president's press service reported.

During the meetings the sides discussed the socio-political situation in and urgent problems of Bashkiria and Dagestan.

The republics' presidents informed the Russian head of state on the course of implementation of socio-economic programmes.

Russia: Yeltsin Appoints Nikolay Kovalev Acting FSB Chief

LD2006144196 Moscow ITAR-TASS in English 1419 GMT 20 Jun 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, June 20 (Itar-Tass) — Russian President Boris Yeltsin today appointed Nikolay Kovalev as acting chief of the Federal Security Service [FSB] after sacking his superior Mikhail Barsukov earlier today.

Yeltsin's press secretary Sergey Medvedev told Itar-Tass that Kovalev was promoted from FSB deputy chief.

Russia: Yeltsin Appoints Krapivin Security Service Chief

LD2006122296 Moscow ITAR-TASS in English 1158 GMT 20 Jun 96

[FBIS Transcribed Text] MOSCOW, June 20 (Itar-Tass) — President Boris Yeltsin named a replacement for his dismissed personal security chief Aleksandr Korzhakov, making Yuriy Krapivin, the head of the Federal bodyguard service responsible for the protection of Russia's top officials, his personal security chief.

Krapivin, who was appointed acting head of Yeltsin's personal security service by decree signed on Thursday, was born into the family of a military serviceman in the Sverdlovsk region in January 1947.

His educational background includes a machine-building technical school in Moscow and a specialised higher educational establishment. His military rank is that of Lieutenant-General.

Yuriy Vasilyevich Krapivin served in the Soviet Army and worked at a plant in Moscow before joining the state security service in 1972. He made his way from lieutenant to colonel in the KGB's 9th (bodyguard) directorate. He also served as the commandant of the Grand Kremlin Palace.

From 1992 to 1995 he was first deputy chief of the Main security administration of the Russian Federation, and from July 1995 to June 1996, Chief of the Main security administration of the Russian Federation.

He has headed the federal bodyguard service of the Russian Federation since June 1996.

Yuriy Krapivin is married. He has a son.

Russian President Boris Yeltsin today had relieved Aleksandr Korzhakov of his duties as the head of the security service of the President of the Russian Federation in response to Korzhakov's note of resignation.

Russia: Chernomyrdin 'Has No Plans' To Visit State Duma

LD2106094396 Moscow ITAR-TASS World Service in Russian 0912 GMT 21 Jun 96

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 21 Jun (Itar-Tass) — Viktor Chernomyrdin has no plans to visit the State Duma in response to the deputies' request that the chairman of the government provide an explanation for the latest cadre reshuffles in the top echelons of power. Viktor Konnov, the prime minister's press secretary, reported this to an ITAR-TASS correspondent today. He stressed that the head of the government learned about the deputies' decision when he was attending Yuriy Luzhkov's inauguration as Moscow mayor.

Russia: Chernomyrdin Presents Lobov, Comments on Reshuffle

LD2006140496 Moscow Russian Television Network in Russian 1300 GMT 20 Jun 96

[By correspondent S. Milyanchikov; from the "Vesti" newscast]

[FBIS Translated Text] At a session of the Russian Government today, Viktor Chernomyrdin informed the meeting of the president's reshuffle of personnel. He presented Oleg Lobov, his new first deputy prime minister, to the cabinet today but did not state the range of duties for which his new first deputy prime minister would be responsible.

Opening today's session of the government, Prime Minister Viktor Chernomyrdin did not expresses his personal attitude to the resignation of his first deputy Oleg Soskovets. Presenting Oleg Lobov, who is also well known to all the members of the cabinet, Chernomyrdin repeated virtually word for word what the president had already said.

[Begin Chernomyrdin recording] The president has made a principled decision about renewing his team and releasing those who take a lot themselves but give back very little. This confirms the president's adherence to the values of democracy, and here lies the main purport of democracy. [end recording]

In the main the prime minister spoke of future plans and what needs to be done in the near future — first and foremost, the second round of the elections. Among the main tasks was to pay more attention to the regions; check on how to make best use of money from the budget; control the covering of debts on payments, pensions, and defense orders; and improve the collection of taxes.

After that the members of the cabinet of ministers began discussing the federal program Our Home. [video shows Chernomyrdin chairing session]

Russia: Lobov To Replace Soskovets as First Deputy Premier

LD2006163896 Moscow INTERFAX in English 1549 GMT 20 Jun 96

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — Prime Minister Viktor Chernomyrdin has asked Oleg Lobov to take over from Oleg Soskovets as first deputy prime minister.

Addressing newsmen in Moscow today, Lobov voiced the view that President Yeltsin had dismissed Soskovets, Federal Security Service Director Mikhail Barsukov, and presidential Security Service chief Aleksandr Korzhakov for their unsatisfactory work.

Apart from Korzhakov's scandalous urge to postpone presidential polls, Lobov knows nothing about these officials' intention to "obstruct the second round of elections by force or carry out some other unconstitutional actions."

Asked about the federal authorities' policy in Chechnya following the resignation of the three officials, Lobov said that "the presidential program of a peaceful solution to the conflict will be carried on."

Lobov said he will step down from his role as presidential envoy to Chechnya.

According to him, at a closed session this evening the Cabinet calculated budget revenues and discussed the implementation of decisions adopted by the president during his recent tour of Russian regions. Each minister was given one week to submit appropriate proposals by June 25 when the Cabinet is to meet for a new session, which may be attended by President Yeltsin, Lobov said.

Russia: Lobov: Dismissals Not To Affect Moscow's Chechen Policies

LD2006205796 Moscow ITAR-TASS in English 2042 GMT 20 Jun 96

[By Gennadiy Yezhov and Artyom Protasenko]

[FBIS Transcribed Text] MOSCOW, June 20 (Itar-Tass) — Moscow does not intend to change its Chechen policy after the dismissal of national security chief Mikhail Barsukov and President Yeltsin's top bodyguard, Aleksandr Korzhakov, First Deputy Prime Minister Oleg Lobov told reporters on Thursday.

"Boris Nikolayevich (Yeltsin) himself and the appropriate presidential programme are the guarantors of a line for peaceful settlement in Chechnya," Lobov said.

The programme continues the outline of what should be done, and the state commission for the settlement of the Chechen crisis, headed by Prime Minister Viktor Chernomyrdin, has the right to introduce small changes to it, he said.

According to him, he had not heard a single official from law enforcement agencies recently proposing a restoration of hostilities in retaliation for acts of terrorism which "single groups of rebels and mercenaries commit," he said.

Commenting on Yeltsin's announcement of the dismissal of the three officials, Lobov said "I do not think that the president, by saying he decided to purge his team of people who had taken much but given back little, meant that someone had taken bribes."

What Yeltsin meant is that someone had taken commitments to improve national security, to fight corruption and crime, and to enhance to the authority of the leadership, but failed to live up to them, he said.

Speaking about General Aleksandr Lebed, recently appointed head of the Security Council and presidential aide on security, he said he positively assessed "the ideology of Aleksandr Lebed who promises to use peaceful means, in the first place, for the settlement of any conflicts."

Lobov was dismissed as secretary of the Security Council and appointed first deputy prime minister on Tuesday. On the same day Lebed was appointed secretary of the Security Council.

With Lebed's entrance into the presidential team, the national security policies will not turn towards the use of force, he said.

"The Security Council, the government, the president, and not a single person, will set forth policies, and if Aleksandr Lebed opposed the presidential policies, Boris Yeltsin would not have given him this appointment," he stressed.

"I will not remain presidential, representative in Chechnya for a long time. The position of first deputy prime minister is enough for me," he said. However, he added that he will continue to deal with Chechen issues in his new job.

Russia: Zyuganov Links Government Changes to Election Uncertainty

LD2006135796 Moscow INTERFAX in English 1346 GMT 20 Jun 96

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — Russian President Boris Yeltsin and his team feel that he stands little chance of winning in the second round of the presidential elections and have embarked on government reshuffling, leader of the Communist Party and presidential candidate Gennadiy Zyuganov told a news conference in the State Duma Thursday.

The comments followed Thursday resignations of First Deputy Prime Minister Oleg Soskovets, Federal Security Service head Mikhail Barsukov and Aleksandr Korzhakov, head of the presidential security service.

Under the constitution, the government must resign following presidential elections, but instead of strictly abiding by the law, "the president is creating a mess with resignations, not explaining the reasons or consequences," said Zyuganov.

He described the measures as virtual decapitation of Russia's law enforcement agencies. In addition, he said government members "carry hard currency in sacks, while wage debts are growing all over the country."

"It is inadmissible," said Zyuganov.

According to him, the popular-patriotic bloc he represents at the elections will insist that the Duma demand Friday that Russian Prime Minister Viktor Chernomyrdin come to the Duma session to explain what is going on in the country.

Russia: Aide Says Korzhakov, Barsukov To 'Bounce Back Later'

MM2006153896 Moscow IZVESTIYA in Russian 21 Jun 96 p 1

[Report by Valeriy Yakov under the "Dismissals" rubric: "Korzhakov and Barsukov Jumped but Did Not Bounce Back"]

[FBIS Translated Text] According to ITAR-TASS, Boris Yeltsin said when relieving A. Korzhakov, leader of the president's security service, and M. Barsukov, director of the Federal Security Service [FSB], of their duties: "What is needed is a change of personnel and some fresh faces. I am constantly being rebuked over Barsukov, Korzhakov, and Soskovets. Does the president really have to work for them?" And he stressed: "The power structures must be replaced. They have begun taking too much upon themselves and not delegating enough."

Our readers are very well acquainted with the personalities of the country's two main security officers because in our articles we too have repeatedly "rebuked" the president over these cadres. Nevertheless, let us recall once more (we hope for the last time) the main landmarks in the lives of these Kremlin security generals who managed to build a bewilderingly fast career on the high society battlefield.

Aleksandr Korzhakov is Russian, was born in 1950, is of a strong-willed, Nordic character, has higher, albeit extramural education, and began serving in the USSR KGB's Ninth Directorate in 1970. By 1985 he had risen to the rank of major and became bodyguard to Politburo candidate member B. Yeltsin. But as soon as Yeltsin fell into disgrace his major went with him and was forced to be friends with his "subject" for friendship's sake rather than for money or titles. When the grateful "subject" returned to the political olympus he did not forget this friendship and added some stars to the major's stripes which, by all accounts, clearly went to the latter's head. So much so that he decided to concern himself not just with the security of his main protege but also the norms for the export of oil, the import of vodka and cigarettes, the rules of conduct on the television screen and in the press, the arms trade, and the tennis serve.

To cover this enormous field of activity properly, Aleksandr Vasilyevich, the country's chief bodyguard, skillfully transformed the former Ninth Directorate into two...power ministries. The main and most powerful one, of course, is the President's Security Service with its many thousands of staff and a boss with the rank of federal minister. Literally on the eve of his demise Korzhakov also managed to transform the Main Protection Directorate into the Federal Protection Service — with the same unlimited powers. Korzhakov had previously secured an equally important post for Mikhail Barsukov, his kinsman and former chief of the Main Protection Directorate, namely, director of the FSB. In this way almost all the country's special services were in the hands of a single bodyguard although he was the most important one, of course.

Mikhail Barsukov is Russian, his character is vague but flexible, he graduated from the Kremlin Military School, and before becoming a general he served all his life behind those walls so he is less well-known to the broad popular masses. The only thing that is well known is that his son married Korzhakov's daughter, that Mikhail Ivanovich himself was good at organizing hunts for the president, was indispensable at parties, and was successful with women. It is not known which of these merits won him the title army general, but the latter-day security commander's first and, thank God, only operation in command — at Pervomayskoye — was a resounding failure.

The two armchair "Chekists" [security policemen] were not particularly alarmed at first when General Lebed appeared on the Kremlin horizon because they already had considerable experience of removing generals from their path — ranging from those in the Army to those in the oil and banking industries. They already had so much power in their hands that it seemed no one could stop the advance of this special-service duo. The president stopped it. With a single order the struggle for influence over the president has diminished? But what a struggle!

Before yesterday's issue was signed to press I telephoned the Kremlin and asked one of Korzhakov's aides: Why did Mikhail Ivanovich and Aleksandr Vasilyevich meet "for a cup of tea"? Not to discuss Lebed's appointment, surely. The aide laughed and said: "They met," he said, "so as to jump to bounce back later. But who knows, maybe Lebed will discover a State Committee for the State of Emergency mark 4, only this time inside the Kremlin." I thought he was joking.

Russia: Latsis Ponders Korzhakov Ouster

MM2006150096 Moscow IZVESTIYA in Russian 21 Jun 96 p 1

[Article by Otto Latsis: "The President Has Made His Choice. Imposition of Order in Russia Has Begun With the Kremlin"]

[FBIS Translated Text] The confusion of the last two days, when we have learned of two conspiracies in quick succession, makes it difficult to grasp the true meaning of what has happened. However, Aleksandr Lebed's remark during his nighttime TV interview about people who are plunging the country into bloody chaos may prove to be far closer to the truth than it initially seemed.

Why has Soskovets been dismissed along with Korzhakov? His name seemed not to have been mentioned even once in the last few days. But remember the article of 22 December 1994 in IZVESTIYA. It was headed: "Who Runs the Country — Yeltsin, Chernomyrdin, or General Korzhakov?" It was prompted by an astounding document: a letter from Korzhakov to Chernomyrdin in which the chief of the president's bodyguard not only ventured to meddle in matters that had nothing to do with his official duties but also essentially issued instructions to the prime minister to tell...Soskovets to "investigate."

Let us not forget that it was a question of the oil trade — a subject that all too often reeks of blood. Certain secret intentions are never proclaimed aloud but emerge from the very logic of events. When the people clustered around the president pushed the country into the Chechen adventure Soskovets, as the head of some incomprehensible headquarters for Chechnya, was constantly on TV and appeared to be entirely ready to reap the fruits of an easy and rapid victory by squeezing Chernomyrdin not only off TV screens but also out of the premiership. And he vanished just as firmly from TV after the new year attack on Groznyy, when it became clear there would be no easy and rapid victory. The hard work of securing not military victory but peace fell to Chernomyrdin.

Korzhakov has performed unquestioned services before the president and therefore before Russia — there are his actions in August 1991 and in October 1993. In June 1996 he attempted to cash in on these services as his own personal capital. "The president will win the elections, but only thanks to true patriots" — this remark made on the night of 20 June reveals the essence of the matter. He was in a hurry to privatize a victory that is still by no means in the bag for Yeltsin. A victory that cannot be the personal business not only of Korzhakov, but even of Yeltsin himself. Highfalutin words, but in this case true: The fate of Russia is being decided. Intrigues around the throne could be the banana skin on which the country slips.

In May Korzhakov was told, before the eyes of all TV viewers: Don't meddle in politics. In June he meddled once again. It looks as though this has cost the president at least his trip to Lyon, so necessary for him and for the country. The fact that Yeltsin has abandoned the trip demonstrates yet again what serious problems have emerged, broadly speaking, out of nowhere. It demonstrates yet again how imperfect the political machinery of the young Russian democracy still is. The new Security Council secretary has plenty of work to do.

Is there a connection between the two conspiracies that Lebed has investigated in the first two days (or even first two nights) of his Kremlin service? Maybe there is, despite the fact that the "generals' conspiracy" probably did not exist. Somebody put Lebed on a false trail, and this was probably the same people who were trying to wreck the president's election campaign.

There is plenty to think about. Not to make a fuss about. The clash has been not between Korzhakov and Lebed or Chubays, and not even between Yeltsin and Zyuganov. As Lebed aptly said at his press conference, the clash has been between the old idea and the new idea. The clash has been between the old Russia and the new Russia. Zyuganov has not surrendered and is continuing to seek winning moves, although at the moment he is rather coming up with ridiculous moves. His attempts to flirt at one moment with Zhirinovskiy, at the next with Lebed, and at the next with Luzhkov show who could indeed benefit from an atmosphere of palace intrigues, an atmosphere of dividing up the spoils of power. Those who have things other than spoils on their minds must be concerned about just one thing: ensuring that the new Russia survives during the second round of the elections. Lebed has made his choice, Yavlinskiy and Fedorov have appealed to their voters. It is up to the voters to decide. They must not be grabbed by the arm at the last moment.

Russia: Filatov: Yeltsin Made Difficult Decision Firing Korzhakov

LD2006135096 Moscow Radiostantsiya Ekho Moskvy in Russian 1037 GMT 20 Jun 96

[FBIS Translated Text] [Unidentified correspondent] Ekho Moskvy has a live link-up with Sergey Aleksandrovich Filatov. Sergey Aleksandrovich, good afternoon!

[Filatov] Good afternoon!

[Correspondent] Sergey Aleksandrovich, it seems that your sharp statement this morning regarding the incident last night has received its continuation. Could you please tell us: You have known these people for a long time now, I mean [Aleksandr] Korzhakov, [Mikhail] Barsukov, and [Oleg] Soskovets. Could you please say: these dismissals — is it a correction to the president's course or is it just dismissals of individuals?

[Filatov] I think it is both. Society has been waiting for it to happen for a long time. When we began the election campaign, we had many complaints, especially from the intelligentsia who were saying directly: We want to vote for Yeltsin, we respect him and trust him, but we do not want to vote for his entourage, and many people simply mentioned the name of Korzhakov. I think all this has been accumulating and there was confrontation, but inside. Many people could feel it, society could feel it: It was in the air. Now, as you can see, our concerns have materialized in such an unusual way.

Of course there is certain concern that it all happened on the eve of the second round of the presidential elections. At the same time I think that Boris Nikolayevich has perfectly resolved the problem. At my meetings I did say many times that in this respect one can envy the president. When the fate of the state is on the line, when the fate of Russia is at stake, the president can resolve the most acute problems at the right time and do exactly what needs to be done, he does it like a surgeon with his scalpel.

[Correspondent] Let me remind you that we have Sergey Filatov live on air. Sergey Aleksandrovich, I have just put the same question live on air to Yegor Gaydar. Could you please say: Don't you fear that now there is the figure of General Lebed next to President Yeltsin, who will now concentrate all the power ministries and departments in his hands? Don't you think that Grachev, Soskovets, Barsukov, and Korzhakov are just being replaced by one Lebed?

[Filatov] You know, first of all, by its status the Security Council does not make it possible — no matter who is in charge there — to be in the position to give orders.

The council itself is a consultative body. I don't think there will be a problem there.

Second, new people will be appointed in all power structures, naturally. But the coordinating function of Aleksandr Ivanovich [Lebed] is to strengthen their work.

You see, over all these years each of the ministers was trying to avoid subordination to the Security Council and guardianship of the Security Council and the presidential aide for national security [Yuriy Baturin]. At some point in the past the head of the presidential administration was in charge of them in a way — and from his guardianship as well. In other words, everyone was trying to have a direct line with the president. It was very convenient, of course. Because the president, naturally, is a very busy man. He is extremely preoccupied with all sorts of problems, not just military ones. Therefore at some point people remain without control. I think the figure of Aleksandr Ivanovich is to make amendments in this respect. What the lack of control could produce, we could see earlier today.

[Correspondent] Sergey Aleksandrovich, recently there has been the impression — and yesterday and today it has become even stronger — that the presidential team has changed its appearance. First of all, 3 July has been announced a day off, and you were the first to mention this date. On the other hand, the meeting between Viktor Chernomyrdin and Gennadiy Zyuganov, yesterday and today's drastic reshuffles in the president's team. What has happened for voters in the last two days? What do you think?

[Filatov] You know, I must say that the president's team in charge of the election campaign has not changed. It is rather that the team that was opposing this campaign has changed. This is important, very important, do you understand?

As for today's events, honestly, I feel very concerned because it was very reminiscent of the situation in St. Petersburg where between the first and the second rounds some dirty provocations against Anatoliy Sobchak began. Some dirty provocations also began here [in Moscow], which are creating an atmosphere that is not in the interests of our campaign.

[Correspondent] The fact that there were dirty provocations and, in addition, the change of players, the dismissal of major figures, in your opinion, what affect will it have: By this evening will the president have more chances to be reelected than he had yesterday morning?

[Filatov] After his move, he certainly has more chances. Until the move I think there were problems. After the move, I think he has more chances because people...[pauses] What we were saying, people had to recall what he did when and to whom in the past — now people could see for themselves that, for the sake of preserving Russia, for the sake of peace in Russia, the president is ready to take, and is taking necessary steps.

[Correspondent] Sergey Aleksandrovich, you know the president rather well. Was it difficult for him to part company with Aleksandr Korzhakov?

[Filatov] I think so, I think it was difficult. I know how these decisions are taken. I think it was a very difficult decision for him.

[Correspondent] Do you believe that there was a certain plot and a coup attempt?

[Filatov] The only thing I can tell you that of course this group, and not only this group — there must be other forces behind it — their main disease was that they wanted to stay in power with subordination to no one and unlimited control over the situation. I think this pushed them toward the steps they took.

[Correspondent] Thank you, Sergey Aleksandrovich. We look forward to see you in our programs again in the future.

[Filatov] Thank you.

Russia: Soskovets' 'Downward Spiral' Viewed

MM2006142996 Moscow IZVESTIYA in Russian 21 Jun 96 p 1

[Report by Mikhail Berger: "Oleg Soskovets' Downward Spiral"]

[FBIS Translated Excerpt] Probably none of the politicians who had been in action until recently could compare with 47-year-old Oleg Soskovets when it came to the ups and downs experienced in their careers. A rolling-press operator at the Karaganda Metallurgical Combine — that was where he began his career — could hardly have thought that at 39 he would become director of that plant, which was one of the biggest enterprises in the former USSR. [passage omitted]

In 1993, as part of Chernomyrdin's cabinet, Soskovets made a major leap forward in his career, becoming first vice premier.

Very soon Soskovets not only rapidly expanded his powers within the government but also strove to get closer to Yeltsin. Soskovets was probably being groomed as a counterweight to Premier Chernomyrdin, whose popularity was rising rapidly. And the first vice premier carefully performed that role. So carefully that at some point he decided he was entirely ready to take the place of the premier he was "counterbalancing."

Soskovets' rapprochement with the president at the time was also promoted to a considerable extent by the rapidly rising Kremlin influence of Aleksandr Korzhakov. This alliance of Korzhakov and Soskovets (and other people who came and went) had been pretty influential until recently. According to certain information, it was on Soskovets' influence that General Korzhakov's much-talked-about letter proposing changes to oil export procedures appeared. Following the appearance of the letter IZVESTIYA asked the rhetorical question "Who Runs Russia — President Yeltsin or General Korzhakov?"

Soskovets relied not only on powerful friends but also on representatives of the economic elite drawn from metallurgy, the processing industry, and the military-industrial complex — that is, the sectors under his control. But, of course, counting mainly on the unlimited might of his alliance partner Korzhakov, Soskovets rapidly moved toward the premiership. There was some foundation to the rumors that arose several times about Chernomyrdin's possible resignation.

The last time Soskovets got the feeling that he was effectively premier was after Yeltsin appointed him leader of his election staff. It is said that the chief of staff had already started doling out jobs in the future government, which he intended to head after the election. But the election had to be won first, and Soskovets' activity has done little to bring that about. Ultimately he has been removed from the leadership of the presidential campaign staff, and we have to assume that this marks the start of a downward spiral in one of the most up-and-down careers in present-day Russia.

Russia: Zhirinovskiy Calls Dismissals 'Music of Russian Democracy'

LD2006172796 Moscow NTV in Russian
1500 GMT 20 Jun 96

[From the "Segodnya" newscast]

[FBIS Translated Text] So, the second round is in 12 days' time. According to many observers, the president made very strong moves on the eve of the second round. This is proved by at least one fact: The reaction from the opposition was that of great annoyance.

[Begin recording] [Unidentified correspondent] It seems that the latest dismissals were a total surprise for Gennadiy Zyuganov, presidential candidate from the Left. At the beginning, after the meeting in the Duma of the leaders of the bloc of popular and patriotic forces, the leader of the Communist Party could not find anything to say to journalists about the president's actions. Apparently the CPRF [Communist Party of the Russian Federation] faction could not decide immediately how to deal with the news of the dismissals and see how it was going to affect the second round in the election race.

[Zyuganov] We will sort this out — our services are dealing with it. None of us has seen the decree on the dismissals yet.

[Correspondent] When the faction moved from the conference room to its own apartment, Zyuganov again gathered the bloc's leaders to define the bloc's reaction to the events. Incidentally, some members of the faction before the meeting gave some cautious comments.

[Viktor Ilyukhin, chairman of State Duma Defense Committee] I do not rule out that one of the groups close to the president is gaining a victory over the other.

[Correspondent] While Gennadiy Zyuganov was discussing the evolved situation with his comrades-in-arms in the elections, State Duma Chairman Gennadiy Seleznev had already responded. In an interview with journalists he suggested that the dismissals of Barsukov and Korzhakov were most likely linked to the fact that they encroached upon the holiest of holies, the shadow financing of Boris Yeltsin's election campaign. As for the dismissal of Oleg Soskovets, according to Seleznev, the first deputy prime minister deserved to be sacked.

Apart from the Duma's speaker, Vladimir Zhirinovskiy filled in a gap in the comments on the resignations. The LDPR [Liberal Democratic Party of Russia] thinks the reshuffles in the president's team were reminiscent of a palace coup aimed at showing Aleksandr Lebed, new secretary of the Secretary Council, in action.

[Zhirinovskiy] You can sleep easily. If tanks enter the city, what can one do? It is music, both the tanks and the remaining dismissals are music. Regard it as the music of Russian democracy.

[Correspondent] Vladimir Zhirinovskiy also said that all the events had been plotted in the West a long time ago and nothing was a surprise to him. The scenario, according to the former candidate, has already been prepared to cover the period until the end of the century.

Strangely enough but an hour later, after consultations, Gennadiy Zyuganov supported Zhirinovskiy. After vague comments he suddenly said that everything was going according to plan. At the same time, in the opinion of the CPRF leader, the dismissals were threatening the second round of voting.

[Zyuganov] Apparently Mr. Yeltsin and his team felt they did not have good chances in the elections and decided to move from a state coup to creeping palace coups.

[Correspondent] At the same time, according to the candidate, he and his supporters intend to do everything they can for the elections to take place.

[Zyuganov] I will not allow this to happen. Russia is not a banana republic. Everything here will be strictly in accordance with the law.

[Correspondent] Gennadiy Zyuganov also said it was possible that tomorrow the Duma will invite Viktor Chernomyrdin to its session and demand a report from him on the latest developments. In addition, the CPRF leader yet again proposed a meeting with Boris Yeltsin live on air. At the same time, Zyuganov stressed, television debates should be held as soon as tomorrow. [end recording]

Russia: Chubays Answers Questions Following News Conference

LD2006165796 Moscow Russian Public Television First Channel Network in Russian 0930 GMT 20 Jun 96

[Question and answer session with Anatoliy Chubays, member of Russian President Boris Yeltsin's campaign staff, and members of the press following a news conference given by Chubays in the international press center in Moscow — live]

[FBIS Translated Text] [Chubays] I imagine you have quite a few questions about the situation that has arisen. I shall try to provide answers to them. [Someone starts to shout something in the background. The chairman says: "Your question, please."]

[Female journalist, in American English] The White House office confirmed that Lisovskiy had been taking money out of the White House. Could you explain what the money was for, and what Lisovskiy, who was not part of the team, was doing in the White House?

[Chubays] If you don't mind, I will answer in Russian. The question was about the money that incriminate Messrs. Lisovskiy and Yevstafyev, and about Lisovskiy's role in the presidential campaign. Mr. Lisovskiy is not a member of the presidential campaign staff, but he has played an important role. He has directed several key projects within the presidential campaign.

As for the so-called "box of money" that came to light at the moment when Korzhakov's people attacked Yevstafyev and Lisovskiy in the White House, naturally today I am not as yet in possession of the results of the investigation, although I think that an inquiry will be needed, but I am firmly convinced that the so-called "box of money" is one of the traditional elements in a traditional KGB/Soviet-style provocation, of which we have very great experience in our country. We are well aware of how foreign currency, money, used to be planted on Russian dissidents and not just on them, and recently we saw a similar situation when drugs were planted. It is, unfortunately, a demonstration of the methods that have become almost commonplace again for Messrs Barsukov and Korzhakov, and I am sure that this provocation, this falsification, will soon be completely dispelled officially by the law-and-order bodies.

[Inaudible question]

[Chubays] Yes, the last four days were full of hot events. It is not hard to imagine that there was a very mixed reaction among the strong-arm departments that we have been discussing to the actual appointment of General Lebed as secretary of the Security Council. Nevertheless, President Yeltsin displayed political will while Mr. Lebed displayed his ability to consistently implement what he pledged in the framework of his election program. The aforementioned alliance was the result [as received]. As for the link with the well-known assassination on Mr. Fedorov, I have no proof but I can only give you information that those present here may find interesting.

Mr. Yestafyev's questioning, during which disgusting and dirty methods were used, was carried out by Mr. Korzhakov's people, who were so-called specialists of the subunit under the command of a certain Mr. Streletskiy. I think that many of those present know this name. He is the very Streletskiy who was appointed to head the sport foundation after Mr. Fedorov had been arrested. I think that our joint task is to find out the role of Mr. Barsukov and Mr. Korzhakov in everything that happened in connection with Mr. Fedorov.

[Chairman] Come forward.

[Journalist] Your aide was there. Does he claim that he did not have any money on him?

[Chubays] Yes, absolutely. Arkadiy Yevstafyev has already made a statement that he personally did not take any money in or out of the White House. He stated this plainly. He stated this officially. I can only repeat this.

[Chairman] Thank you. Next is your question.

[Journalist] [?Andrey Svobodin]. Anatoliy Borisovich, what would have happened next if this provocation had succeeded? [phrase indistinct]

[Chubays] Naturally, I don't have a full set of documents right now, but I can share with you the interpretation which the analytical group has come up with.

We are convinced that the arrest of Yevstafyev and Lisovskiy was but the first step. The purpose of this arrest was to silence and to crash the heads of the analytical group and the head of the president's headquarters and to pull the rug from under their feet. This should have been followed, in my opinion, by strong-arm decisions with respect to key figures in Yeltsin's headquarters.

This was our assumption. And that is why we are grateful to the press, television, and media — Mr. Malashenko played a crucial part in it — who joined in the process from the very beginning. I can tell you that truth turned out to be the most frightening weapon against Messrs. Korzhakov and Barsukov. The truth about what is happening in reality and what in fact they are doing turned out to be the most frightening weapon against them.

Yevstafyev and Lisovskiy were subjected to an uncalled for questioning. The tone toward them changed abruptly right from the moment when the first report about what had been done was carried on television at two o'clock in the morning — a little bit earlier. Those questioning them — Mr. Korzhakov's specialists — all over sudden turned gentle and good-natured. They started to say that there was no special problem there, and that they did not have any specific complaints against them: "We will part company with you in the very near future, the main thing is that no one wants any more televized scandals. As for you, behave yourselves quietly and that will be the end of the matter."

This confirms yet again that the ideology of a military coup in Russia and the Russian democracy are incompatible, and it goes a long way to show that the real Russian democracy has protected the country from a very real danger of a military coup.

[Question very poorly heard] [name of journalist indistinct] Anatoliy Borisovich, does Korzhakov's recent promotion to the ministerial level mean that a strong-arm solution in the elections remains a real option? If, say, the president fails to win the elections, this option may still be possible, may it not?

[Chubays] If you analyze Mr. Korzhakov's so-called promotion more carefully, you will discover a small detail: there was a time gap between the moment of the publication of that decision and the moment when the decision was signed. This time gap is two and half months. This shows in the best possible way when and at what time Mr. Korzhakov cherished the hope to strengthen his positions, and when he had to part with that hope. [The same questioner asks: "When did the possibility of the strong-arm solution disappear?" He is interrupted, however, by the next questioner, who asks: "How would you describe what has happened. Was it a coup attempt?"]

[Chubays] There are no reasons to think of a putsch here, if we take what has actually happened at face value. But if we consider these events as the beginning of a scenario consistently enacted by the leaders of the most influential strong-arm structures, then to my mind, a coup attempt was precisely what was involved.

[Question in English] Are you convinced these gentlemen will leave their posts quietly, and who is in charge of the president's personal security now?

[Chubays] Today after my conversation with the president, I briefly discussed the situation with Aleksandr Ivanovich Lebed. Mr. Lebed has not simply played a key role last night and displayed courage and decisiveness, but he has quickly learned the ropes of his official duties. Proceeding from this, he has already undertaken a number of absolutely professional actions to ensure full control over the situation not just in Russia but also in Moscow by securing the support of the power structures loyal to the president and loyal to the incumbent authority. I am convinced that if any of those dismissed heads of the power structures would have a wild idea to use force, this force will be suppressed by a single movement of General Lebed's little finger.

[Chairman] Thank you. (?Zemin), your turn.

[A female journalist in English, first part of question indistinct] ...other plans or news earlier this year at any time. Can you elaborate on that? Is the murder — the attempted murder of (?Mr. Fedorov) — connected with this as well? And number three — you yourselves [sentence indistinct]. Do you too fear for your lives or have there been some provocations against you?

[Chubays] Too many questions. If you allow me I would choose the first and the third ones. The first question is whether there have been similar attempts recently. I will answer your question briefly. Yes.

As to the third question — the question of whether it was possible to extend the forcible actions against Yevstafyev and Lisovskiy to other members of the presidential team and to me personally. I will share with you my understanding. Yes, of course. It goes without saying, and in my opinion further events were to develop within this scenario.

[Chairman] Please, the SEGODNYA newspaper.

[Question from a woman] Today around the president there are different people who have different ideas about how victory can be achieved. There are people who think that it is necessary to use force. [Words indistinct] but Korzhakov is truly loyal to the president or did he just seem so? Can you say if there is a putsch, who will benefit from it after all?

[Chubays] Yes, I can. [general laughter] I can tell you clearly and distinctly. Russia will have no putsch. Russia will have elections. They will be held on 3 July. And I am deeply convinced that not just President Yeltsin will win these elections. A new Yeltsin will win, with a fresh and renewed team capable of taking the country to the year 2000. [A great deal of shouting, which goes on for some time]

[Chairman] I want your attention. We will have to adjourn for some time now. Order, please. Your question please. [Same woman tries to shout out a question. Chubays interrupts]

[Chubays] The coup is now over. We can now calm down. Nothing terrible will happen now. Let us relax and allow each other to ask questions.

[Question inaudible]

[Chubays] I know nothing of a close friendship between Korzhakov and Lebed. To be frank, I have strong doubts about it. Reasons for the break-up are very clear: Korzhakov was in favor of postponing the elections, and therefore in favor of the use of force. Whereas Lebed is in favor of the current constitution and order in the country.

[Question] Why have not Yevstafyev and Lisovskiy come to the news conference?

[Chubays] Mr. Yestafyev and Lisovskiy are, thank God, are well and in good form. We have been actively in touch. But as you understand, after the difficult night they just need time to recover. They have passed their warmest regards. Everything is all right.

[Chairman] Your question.

[Non-Russian male asks partly inaudible question, interrupted by other voices, about Zyuganov].

[Chubays] On Zyuganov's role, I really won't venture to say anything definite, although, quite frankly, I did notice comments that were coming out of the CPRF [Communist Party of the Russian Federation] from Mr. Ilyukhin and Mr. Zyuganov, and I was struck by the nature of those comments. If one looks at them from even just a slightly professional viewpoint, [one can see that] they were fully geared toward achieving exactly the same objectives that Messrs Korzhakov, Barsukov, and Soskovets had set themselves. If you ...

[Journalist, interrupting] MOSKOVSKIY KOMSOMOLETS. [Various interruptions, presumably from other journalists wanting to ask a question]

[Chairman] Minkin to ask the next question. MOSKOVSKIY KOMSOMOLETS.

[Chairman] Quiet, please.

[Minkin] Tell us, please, has Barsukov been arrested? [Rest of question inaudible].

[Chairman, reminding Chubays] Minkin.

[Chubays] If you had paid attention to one of the earlier questions about whether a coup had taken place in Russia, I said quite definitely that the actions that were actually accomplished do not, of course, amount to a coup. I think that their aim at the next stage was, undoubtedly, to break the law. But in respect of what was actually done, there are no grounds for coercive measures against the dismissed gentlemen. [Pause. A number of journalists start to speak].

[Chairman] Please, your question...

[Chubays, interrupting] Oh yes, I'm sorry. I didn't answer the question about Chernomyrdin's role.

[Chairman, to journalists] Quiet, please.

[Chubays] I can tell you that Viktor Stepanovich Chernomyrdin involved himself in the situation virtually straightaway, yesterday evening. I phoned him last night. I kept in touch with him all night. I think that Viktor Stepanovich Chernomyrdin at the key moment, which was this morning, showed himself to be what would be called a real man. Thanks to his position, what happened in the end was precisely what did actually happen.

[?Minkin] Thank you.

[Male journalist, Russian] Do you agree that Mr. Korzhakov was among the president's closest associates?

[Chubays] Yes, he was among the people closest to the president.

[Chairman] Thank you.

[Question] Who will fill the vacancies? Who is now fulfilling the functions of Korzhakov and Barsukov.

[Chubays] I know that this question is being resolved now, or perhaps it has already been resolved. I intend to talk about this to General Lebed. I think you will have information about it very soon, but I have not got it at the moment.

[Question] Mr. Lebed accused yesterday Grachev of attempting to organize a coup. Do the last night's events have anything to do with this accusation? Second, do you know the reaction of the aforementioned people to their dismissals? Have they commented?

[Chubays] Fortunately, I did not have the pleasure of having contact with Mr. Korzhakov, Mr. Soskovets, and Mr. Barsukov after they were dismissed. I simply have no information to answer your question.

[Question about Soskovets indistinct]

[Chubays] I am convinced that the question of who will succeed Soskovets will be resolved, but you realize, of course, that despite the acuteness of the situation in the government, it is possible to live for a few days without somebody filling the post of first deputy minister in charge of industry. But to my mind, we cannot live even for a few hours without somebody in charge of strong-arm ministries.

[Question indistinct]

[Chubays] It is not hard to imagine, the president had a difficult night. From a psychological point of view he came under intense pressure. And to be frank, I expected to see Boris Nikolayevich in a less than brilliant form. I must tell you bluntly that my conversation with the president today enabled me to see that the president was not just in excellent form. Above all I again witnessed his unique ability to take the most serious and difficult decisions which are accurate and well-timed.

[Unidentified woman] Can you tell me what form the president is in? I mean his health. I would like to think that (?he feels alright).

[Chubays] It is not difficult to guess that the president had a very, very difficult night today. He was under a lot of psychological pressure. I will be frank with you. I expected that Boris Nikolayevich would not be in brilliant form at all. I must tell you, I must tell you straight that my conversation with the president today [20 June] confirmed not only the fact that the president is in perfect form but the main thing is his unique ability to take the most hard, the most difficult, but absolutely precise decisions and at the most appropriate moment.

[Unidentified male] Thank you. The next question, please.

[Question] The (?Elta) Spanish agency. How can you explain this morning's statement by Chernomyrdin in which he said that the security services acted correctly by preventing the money from being illegally taken out, which, as you said, did not take place? And the second question asked by my colleague: who was meant to benefit from the implementation of this scenario of a coup which Korzhakov and Barsukov had definitely had in mind, as you put it.

[Chubays] If you have paid attention, what you are referring to as Chernomyrdin's statement is in fact a statement not by Chernomyrdin but Mr. Konnov's statement, which is not quite the same. I would like to ask you to note this.

As to the position of Viktor Stepanovich [Chernomyrdin] himself, I think you will have an opportunity to ask him about this directly.

To your question about to whose advantage this coup was planned: I believe that this coup was planned to benefit those who advocated and implemented it; that is, those who were in fact sacked by the president's decision today.

[Chairman] Thank you. Your question, please. [Many voices] I ask you to wait, take your turn.

[Female journalist] Tell me please, is Boris Nikolayevich's decision yesterday not to go to the summit in Lyon somehow connected with what had been happening yesterday and last night [19-20 June]?

[Chubays] This is not a simple question for me because the analytical group headed by me was not in favor of not going to Lyon. Nevertheless, this decision was taken by the president. He took it after his own and — as far as I understand — complex deliberations. It is well known that besides unique political experience, Boris Nikolayevich has another unique political quality — intuition. I do not rule out that there is a connection here. I do not rule out that Yeltsin felt something, that he felt the danger that emanated from his immediate circle especially if you paid attention to last night's interview with General Lebed. With the aphoristic quality so characteristic of him he said that the danger of forcible actions was in the air throughout all these days.

[Chairman] Thank you. Please...

[Male journalist] [inaudible question regarding appointment of the head of the Federal Security Service] What key role will General Lebed play?

[Chubays] I think that President Yeltsin will play a key role in this appointment. As I understand it, in reality it is precisely these people who will tackle these issues — President Yeltsin and General Lebed.

[Chairman] Thank you. Go ahead please.

[Journalist] [Word indistinct] Weekly. Didn't your team itself try somehow to speed up events so as to achieve the outcome?

[Chubays] You know, it's not poker or even chess that we are discussing with you at the moment, it is something a bit more serious. The cost of the issue is blood. And unfortunately we in Russia are well aware of that. This is not a game in which some kind of artificial methods should be used.

[Chairman] Your question, please.

[Female journalist] Did the president offer you a post in the government?

[Chubays] No, the president did not offer me any kind of post, but, to be honest, I never asked him.

[Chairman] Thank you. Go ahead with your question.

[Male journalist] MOSCOW TIMES newspaper. (?Has Pavel Grachev, the head of the Moscow military district, been given an appointment)?

[Chubays] I don't know anything about that.

[Chairman] Go ahead, please.

[Female journalist] How did this happen, tell us step by step.

[Chubays] Perhaps when I retire, I shall write it down as it happened hour by hour, in my memoirs. For the moment I can say that I learned of Yestafyev's arrest three hours after he was arrested, that an interrogation had been started. In the next 30 minutes Prime Minister Chernomyrdin, General Lebed, and President Yeltsin were informed of this. Events went on to develop in accordance with a far from simple scenario. And as far as the ultimate cadre decisions of President Yeltsin are concerned, they were taken probably in the 25 minutes when he discussed this issue with me today [20 June].

[Chairman] Go ahead, please. The last two questions. Our time is running out. Go ahead, please.

[Male journalist] Could you give us more details about the role of the Communist Party of the Russian Federation?

[Chubays] It is difficult for me to say what part it played, but if you read the commentary made by Zyuganov, Ilyukhin, and by eminent figures in the central committee of the Communist Party of the Russian Federation, it is staggering, simply staggering in its aims, careful, exact, professional and resolves precisely those propaganda tasks which Mr. Korzhakov, Mr. Barsukov, and Mr. Soskovets needed, to attain the aims set by them.

[Male journalist] NEZAVISIMAYA GAZETA.

[Chairman] Go ahead, NEZAVISIMAYA GAZETA.

[Question] I am from NEZAVISIMAYA GAZETA. With whom did you spend last night? [General laughter]

[Chubays, laughing] I spent last night in a very good company — in the company of [word indistinct] Malashenko, in the company of my friends and colleagues, and those members of President Yeltsin's election headquarters who have been working solely with a view to seeing the brightest vision of Russia's future become reality after President Yeltsin is reelected on 3 July.

[Chairperson] Thank you.

[Chubays] Thank you.

Russia: Prosecutor General To Probe Legality of Detentions

LD2006184496 Moscow ITAR-TASS in English
1811 GMT 20 Jun 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, June 20 (Itar-Tass) — The Russian Prosecutor General's Office continues to probe the legality of the detention of Arkadiy Yevstafyev and Sergey Lisovskiy on Wednesday evening, President Boris Yeltsin's press secretary, Sergey Medvedev, told Tass on Thursday.

Earlier, assistant prosecutor Aleksandr Zvyagintsev reported about the probe.

Arkadiy Yevstafyev is known as a close aide to Russia's former economic reform chief Anatoliy Chubays, one of the main organisers of the President's campaign.

Sergey Lisovskiy is a wealthy advertising and showbusiness magnate who organised pop concerts for Yeltsin and a widely praised advertising campaign aimed at capturing the youth vote under the slogan "Vote or Lose."

Chief military prosecutor Valentin Panichev was instructed to check Thursday's statements about an alleged military coup being hatched in Russia, Medvedev said.

Russia: Lebed Notes 'Misunderstanding' Over Campaigners' Detention

LD2006200296 Moscow NTV in Russian
1500 GMT 20 Jun 96

[From the "Segodnya" newscast]

[FBIS Translated Excerpt] A routine Security Council sitting took place at 1100 [0700 GMT] chaired by the president of Russia. Opening it, Boris Yeltsin presented to the Security Council members Aleksandr Lebed, newly elected Security Council secretary and aide on national issues [as heard]. Despite a sleepless night, the general was smart and cheerful. [passage omitted]

Lebed's candidacy was approved unanimously. Incidentally, also by Mikhail Barsukov who attended a sitting for the last time.

[Yeltsin] We congratulate you, Aleksandr Ivanovich. So, into battle. [Lebed reply indistinct]

After the Security Council sitting, Aleksandr Lebed attended a news conference at INTERFAX news agency and was greeted by stormy applause from the journalists and citizens assembled. The general was greeted literally as a national hero.

[Lebed] Who has not yet heard that by presidential decree, Oleg Nikolayevich Soskovets, first deputy chairman of the government, federal Security Minister Mikhail Ivanovich Barsukov, and Aleksandr Vasilyevich Korzhakov, chief of the president's personnel guard, have been removed from their posts?

[Correspondent] In reply to the question as to what these dismissals were connected to, the general replied that this question should be put to the president.

[Lebed] The Security Council ended peaceably. After the Security Council, the president thought things over and took the decision and announced his decision.

[Correspondent] Nevertheless, since that question was asked frequently, Aleksandr Lebed made it clear that there was a link between the incident that took place the day before yesterday and today's resignations.

[Lebed] An attempt was organized to bring pressure to bear on the president with the help of armed forces which were not privy to it. The attempt was a failure. The attempt was prevented in good time. Some silly people who were involved in it will be fired. There are no elements of a crime. We have the most humane law in the world. Will you disagree with that?

[Correspondent] Lebed himself has nothing to do with these resignations.

[Aleksandr Lebed] I am the most peaceful person in the country. I have long had my fill of fighting.

[Correspondent] But despite the resignations, Lebed stressed, professionals remain in their posts in government and are continuing to work. He sees his task to be the preservation of peace, stability, calm, and reason.

[Lebed] I intend to guarantee that.

[Correspondent] Aleksandr Lebed thinks that the situation in the country is no longer dangerous and the postponement of the elections, which many were counting upon, won't take place. Aleksandr Lebed stressed that a substantial expansion of the Security Council apparatus is not planned. At the same time, he agreed with journalists' opinion that there was a need to expand the powers of Security Council secretary. The general also thinks that he will manage to convince his electorate to vote for the president. Lebed described yesterday's incident in the White House with [Sergey] Lisovskiy and [Arkadiy] Yestafyev representatives of the preelection headquarters as "a misunderstanding."

[Lebed] There was a misunderstanding there, a technical misunderstanding, there were no permits and that question interested me only from one point of view — that there should be no fight around it. There was no fight, thank God! As for all the rest, things can be sorted out. Pardon me, but what is Caeser's belongs to Caesar and what is God's belongs to God.

Russia: Lebed Interviewed on New Role

LD2006125296 Moscow Radiostantsiya Ekho Moskvy in Russian 1055 GMT 20 Jun 96

[FBIS Translated Text] Here we have a live interview with Aleksandr Ivanovich Lebed, executive secretary of the Security Council and presidential assistant on questions of national security. Aleksandr Ivanovich, good day.

[Lebed] Good day. Not so much executive, I am just secretary.

[Announcer] But it is a lot of responsibility, Aleksandr Ivanovich.

[Lebed] Ah... Thanks.

[Announcer] In that sense. Just in that sense. Aleksandr Ivanovich, very serious changes have taken place today in the structure of the power ministries, of which you are in charge. Could you answer this question: Is it your opinion that these are personnel changes, or are they changes that affect the shape of the very functions, I repeat, of the special services?

[Lebed] The dismissals are the president's decision and his business. In fact, there is only one aspect of what happened last night that interested me. The country known as Russia must not see more any more blood, upheavals, or fighting. As long as people live there is hope that it will have the sense to arrange its life for the future. We will talk about the functions later.

[Announcer] Aleksandr Ivanovich, we have some questions. It was mentioned today, for instance, that Russia has about 22 various power agencies. Do you think it would be better to amalgamate them or should each of them stay in charge of its own affairs? Or have you not looked into this yet?

[Lebed] I have not looked into it in detail, but in general I think we have today not a defense minister but a minister of the Army and Navy. The Defense Ministry has no relation to the larger part of the Armed Forces, and I think this is wrong. All those who bear arms must know exactly where they stand in the country's defense system. So in peacetime let them function as independently as they will, but there must be an independent system capable of taking firm control of the whole of the Armed Forces. That is what I intend to build.

[Announcer] In other words, Aleksandr Ivanovich, you would like to expand the functions of the Security Council as the body controlling this system. Am I correct in assuming this?

[Lebed] It will be a coordinating body with coordinated actions, sensible and civilized actions. The Army simply must be positioned with its back to the country and its face to the border. And it will take this position.

[Announcer] Aleksandr Ivanovich, is it difficult to change into civilian clothes?

[Lebed] No, not really. After my 26 years of military service I am used to spreading an atmosphere of comfort around me wherever I am.

[Announcer] I am impressed!

[Lebed] Yes. I am sitting here and there is an atmosphere of comfort around me.

[Announcer] Let us hope that this atmosphere can be communicated via radio too. And yet another question, Aleksandr Ivanovich: At the moment there is no defense minister but there is an acting one. There is no director of the Federal Security Service, but there is, apparently, an acting one. In your view, how soon will the president solve these issues, perhaps taking into account your recommendations too, because as you have correctly said, the military should know who their boss is?

[Lebed] There are bosses today too, they are Kolesnikov and Kovalev, while the issues of nominating and appointing to the posts will be examined in the immediate future.

[Announcer] Aleksandr Ivanovich, one more question: The president spoke in a very tough manner today about the Defense Ministry's expenditure, for example, and about the shortages of supplies in the fuel and energy industry and in power engineering. Are you in charge of sorting this out?

[Lebed] The government is in charge. That is its responsibility.

[Announcer] But you will supervise, will you not?

[Lebed] Naturally.

[Announcer] Are there any limits to your responsibilities, Aleksandr Ivanovich?

[Lebed] Of course there are. I am not going to usurp all authority in the country. That can break you.

[Announcer] I mean in the security business.

[Lebed] Security is our common concern. We all need it, the Reds and the Whites, the left and the right wing. Each one of us has come to this earth to have a life which should last on average about 70 years. This life must not be cut short by a bullet, a bit of metal, or nuclear outbursts.

[Announcer] One last question. It may not be appropriate to ask this just as you have been appointed, but still: When the time comes for you to leave this post, what will you say to your children, along the lines of: This is something I did. When I was appointed this was not there, but I have done it and now I can leave. What would you like to say?

[Lebed] Nothing. I am not used to idle talk.

[Announcer] What if it is not idle talk?

[Lebed] I am used to doing work. I will tell you once I have done something. I will invite you all and say: I have done it; look and enjoy. You know what we could do with? With some quality. We are so used to being huge and rich. We are knocked off by our own size.

What we should do at some point is set a standard of excellence and not let it sag an inch. We are the richest ones after all.

[Announcer] What can I say? All the best to you, Aleksandr Ivanovich, and to us all.

[Lebed] Thank you, and good bye.

Russia: Lebed Says Yeltsin Controls 'Power-Wielding' Structures

LD2006152596 Moscow 2x2 Television in Russian 1354 GMT 20 Jun 96

[Passages within quotation marks are recorded]

[FBIS Translated Text] [Unidentified correspondent] The decision to dismiss the head of the Federal Security Service, the head of the president's bodyguard service, and the first deputy prime minister was taken by Boris Yeltsin personally, Aleksandr Lebed, the secretary of the Security Council said on Thursday.

[Lebed] "The Security Council ended its sitting quite peacefully and then the president took his decision and announced it there and then. It is difficult for me to say. Ask him."

[Correspondent] Lebed said that the Security Council's sitting, which was followed by the high-level dismissals, had focused on such key issues as the fight against corruption and organized crime.

[Lebed] "A task in organizing the fight against organized crime and corruption was set and the time-scales for drawing this up were determined. The council session is virtually over now."

[Correspondent] Lebed stressed that the president continues to control all the power-wielding departments of the country.

[Lebed] "Some personalities with certain names may leave their posts but the chiefs will always remain. For example, the first deputy head in the Federal Security Service and the head of general staff in the Armed Forces. There is no question about that."

[Correspondent] The secretary of the Security Council said that the incident at the White House when Lisovskiy and Yevstafyev were detained was a misunderstanding rather than as a result of someone's evil intentions.

Russia: Lebed Comments on Yeltsin's Decision for Dismissals

LD2006170796 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 20 Jun 96

[Report on news conference given by Aleksandr Lebed, secretary of the Russian Security Council, in Moscow on 20 June, by correspondent Mikhail Aleksandridi; from the "Novosti" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] [Aleksandridi] At the news conference held at the INTERFAX agency, Aleksandr Lebed said that the president personally made the decision to sack Aleksandr Korzhakov, Mikhail Barsukov, and Oleg Soskovets. The Security Council secretary preferred not to tie up today's sackings with his recent statement about a State Committee for the State of Emergency No. 3. Moreover, today the general no longer spoke about a conspiracy among those surrounding Pavel Grachev.

[Lebed] "An attempt was organized to bring pressure to bear on the president with the help of Armed Forces that were not privy to it. The attempt was a failure. The attempt was prevented. Some silly people who were involved in it will be fired."

[Aleksandridi] Aleksandr Lebed is reckoning on having good relations with President Yeltsin.

[Lebed] "He is a man, and I am a man. We will get along."

[Aleksandridi] Aleksandr Lebed thinks the he will manage to convince those who voted for him in the first round to vote for Yeltsin.

[Lebed] "Fate has declared that the president of Russia is the bearer of a certain idea, a new idea, which has prospects. There is a new idea. It is not being implemented in the best way yet. If someone finds they have the wrong wife, that does not mean that the institution of marriage should be abolished."

[Aleksandridi] Ending the news conference, Aleksandr Lebed said yet again that he will implement his program in a purely civilized way and he added that, in spite of the dismissals in the government, the professionals remain in their posts and are continuing carry out their duties.

Russia: Zyuganov Expresses Hopes for Lebed, Criticizes Chubays

LD2006151896 Moscow ITAR-TASS World Service in Russian 1411 GMT 20 Jun 96

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 20 Jun (Itar-Tass) — Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation [CPRF], has said that today's dismissals of First Deputy Prime Minister Oleg Soskovets and power chiefs Mikhail Barsukov and Aleksandr Korzhakov had been caused by "infighting" and expressed regret that Aleksandr Lebed was being drawn into it.

At an urgently convened news conference Zyuganov said that in the country there "is a leapfrogging of officials," "a show is being put on," and the power structures are being beheaded. At the same time he expressed the hope that Lebed, who was appointed on Tuesday as secretary of the Russian Security Council and the president's national security adviser, "will sort out what is happening."

Zyuganov announced that at the State Duma meeting on Friday the communists will pose the question of inviting [Russian Prime Minister] Viktor Chernomyrdin to the chamber to explain to deputies what has been happening. He also insistently repeated his invitation to Boris Yeltsin to hold a live television meeting with him before the second round of the presidential elections. The CPRF leader regarded the dismissals announced by the president as an attempt to thwart the second round of elections because, he asserted, the powers felt that their chances in the second round were not very good.

Chubays' TV appearance today made Zyuganov especially mad. "This privatization fuehrer's face should not be shown in Russia, it acts like an itching powder," said the CPRF leader, unable to contain himself.

Mentioning very briefly his Wednesday meeting with Lebed, Zyuganov said that issues of national security were discussed, and that both had agreed that it was in a bad state. At the meeting with Prime Minister Viktor Chernomyrdin, said the CPRF leader, the situation in the country, "which continues to deteriorate," was discussed, and questions connected with the possible economic situation and the situation in Chechnya.

Russia: Prosecutor Begins Inquiry Into Lebed Claim of Coup Attempt

LD2106084696 Moscow INTERFAX in English 0727 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — The Russian Prosecutor General's Office has launched an investigation into the statement by newly-appointed Russian Security Council Secretary Aleksandr Lebed claiming an attempt by ex-Russian Defense Minister Pavel Grachev and his circle to stage a coup, Prosecutor General Yuriy Skuratov told Interfax Friday.

The Prosecutor General said his office is also investigating the detention of Sergey Lisovskiy and Arkadiy Yevstafyev, members of Yeltsin's elections headquarters, Wednesday [19 June].

Under the Russian Criminal Procedural Code, the analysis of investigation materials will be followed by a decision to institute criminal proceedings, said Skuratov.

"I instructed the most skilled staffers to hold a quick, thorough, comprehensive and objective investigation," he added.

Russia: Leaflets With 'Insulting Remarks' Against Lebed Distributed

LD2106084396 Moscow INTERFAX in English 0751 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — Unsigned leaflets which call for the rejection of President Yeltsin's bid for reelection were distributed among Russian lawmakers. The leaflets carry insulting remarks against new Security Council Secretary Aleksandr Lebed.

If Yeltsin gets reelected, Russia will "break up into a number of independent countries on the order of Ichkeria and Tatarstan" and be sure to face tragic developments, the leaflets say.

"May the blind-sighted think twice before putting a cross in the box opposite Yeltsin's name in their ballots. Yeltsin must be crossed out of political life," they also say.

General Lebed, who joined the electoral race with calls for law and order, is "a police general who is prepared to fight his own people." Those who supported his bid for presidency in fact voted "for more confusion in the Russian Federation," reads the pamphlet.

"Lebed is no political leader. He splashed himself with mud and put an end to his independent political career as soon as he entered into conspiracy with the Yeltsin Administration and became an aide to Boris Yeltsin."

A number of politically unaffiliated members of the lower house of the Russian legislature assume the leaflets were written by a pro-Communist group, if not the Communist Party [CPRF] itself.

As soon as news spread of Lebed's new promotion, a number of the CPRF leaders, including Duma speaker Gennadiy Seleznev and chairman of the Duma security committee Viktor Ilyukhin, accused Lebed of "trading authority in for a job." As a political leader Lebed was dead, they said.

Military & Space Issues

Russia: Grachev 'Has Not Received' New Appointment

LD2106093396 Moscow INTERFAX in English 0852 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — Ex-Russian Defense Minister Pavel Grachev has not received a new appointment, a high-ranking staff member of the Defense Ministry told Interfax Friday.

"Grachev is staying at his dacha to play tennis and volleyball," he said.

The general reaffirmed that Grachev rejected a post as Russian representative to NATO offered him by Russian President Boris Yeltsin on June 17.

"Grachev has not received other proposals," said the source.

Russia: Army Prosecutor Interviews Grachev's Associates

LD2106085296 Moscow INTERFAX in English 0841 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — Several high-ranking Defense Ministry officers have been called to the Chief Army Prosecutor's Office, Interfax learned Friday from a general who spoke on condition of anonymity.

The officers are close to ex-Defense Minister Pavel Grachev. Russian Security Council Secretary Aleksandr

Lebed accused them of an attempt to "put pressure on the president" in the wake of Grachev's resignation earlier this week.

The Interfax source has already visited the Prosecutor's Office and says "the Defense Ministry planned no coup d'etat."

Grachev's closest friends gathered "to bid a manly farewell to Grachev," he told the army prosecutor and Interfax.

Lebed presented chief of the General Staff's Main Operations Agency Colonel General Valeriy Barynkin, chief of the Main Agency for International Military Cooperation Colonel General Dmitriy Kharchenko, Grachev's senior aide Colonel General Valeriy Lapshov and Grachev's press secretary Yelena Agapova, among others, as those who attempted to put pressure on Boris Yeltsin.

Russia: Military Satellite Launch Ends in Failure

LD2006211896 Moscow ITAR-TASS in English 2100 GMT 20 Jun 96

[By Anna Bakina and Viktor Gritsenko]

[FBIS Transcribed Text] MOSCOW, June 21 (Itar-Tass) — A Soyuz-U booster with a Kosmos military satellite run off the trajectory and failed to go out in space several seconds after takeoff from Plesetsk on Thursday, sources close to Ground Control told Tass.

A commission was set up to investigate into the failure, the sources said.

This incident resembles the one which occurred at Baykonur on May 14 when a rocket lost the designed trajectory and was destroyed by friction in atmosphere.

Federal Assembly

Russia: Duma Demands Chernomyrdin Report on Resignations

LD2006134896 Moscow ITAR-TASS World Service in Russian 1306 GMT 20 Jun 96

[By ITAR-TASS parliamentary correspondent Igor Zhukov]

[FBIS Translated Text] Moscow, 20 Jun — The State Duma faction of the Communist Party of the Russian Federation is to demand on 21 June that Viktor Chernomyrdin, chairman of the Russian Government, attend the chamber's plenary sitting to give a detailed report on what happened this morning and on the reasons behind the resignation of Oleg Soskovets, Mikhail Barsukov, and Aleksandr Korzhakov; the faction's first deputy head Valentin Kuptsov has told ITAR-TASS.

Russia: Duma Fails in Attempt To Cancel Week-Long Recess

LD2106083896 Moscow INTERFAX in English 0755 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — The Duma's Agrarian group was unable to sustain a vote canceling a week-long recess due to the lack of a quorum.

The proposal was supported by the Communist faction and the Popular Rule bloc (207 votes for), and rejected by the Our Home is Russia, the Yabloko and the Liberal Democratic Party (134 votes against).

The break will be made, and deputies will leave for their electoral districts as planned.

The Agrarians and their allies said they were motivated by the tense situation caused by the latest developments in Russia.

Russia: Duma Invites CGS To Report on Situation in Armed Forces

LD2106084896 Moscow INTERFAX in English 0834 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) - The Russian State Duma has invited head of the Russian Armed Forces' General Staff Mikhail Kolesnikov to its evening session Friday. Kolesnikov is expected to report on the situation in the Armed Forces following dismissal of Russian Defense Minister Pavel Grachev.

A proposal to invite Kolesnikov was made by presidential commissioner in the State Duma Aleksandr Kotenkov and supported by 343 deputies.

The parliament chamber has listened to the report of Deputy Chairman of the Duma Defense Committee Mikhail Surkov (the Communist faction) on the alleged coup attempt in Russia several days ago. He said there are "no grounds" to speak of a coup attempt as described by newly appointed Russian Security Council secretary Aleksandr Lebed. Surkov said the ciphered cable sent by Aleksandr Lebed to army units on June 18 to prohibit fulfillment of any orders and instructions of Pavel Grachev "paralyzed the whole Armed Forces practically for two days."

Chairman of the Duma Committee for Security Viktor Ilyukhin (the Communist faction) said the Russian secret services told him they "had no information on the coup plans."

The deputies did not support the proposal of Chairman of the Duma Committee for Geopolitical Issues Aleksey Mitrofanov (the Liberal Democratic Party) to invite

Lebed to the State Duma. Duma Deputy Speaker Sergey Baburin said Lebed can be invited to the meeting only after the Duma officially strips him of deputy powers due to his new post in the executive branch. Only 76 deputies voted for inviting Lebed to the State Duma, 126 voted against.

Russia: Stroyev: Federation Council Ready To Stabilize Situation

LD2106102896 Moscow INTERFAX in English 0957 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — The Federation Council is set to prevent a split in Russian society and has enough political wisdom and will to keep the country under control under any circumstances, Chairman of the Federation Council Yegor Stroyev said Friday.

To stabilize the political situation in Russia, "the reformists need to maintain a constructive dialogue with all confronting forces," Federation Council spokesman Yuriy Algunov quoted Stroyev as saying Friday.

Russia will return neither to totalitarian Communism, nor to the destructive anarchy of the wild market, Stroyev is convinced. The duty of responsible politicians is to focus their efforts on developing a new strategy of social and economic reforms, adjusting the current course and promoting federative relations, he said.

"In the current pre-election situation, the Federation Council will maintain political restraint and guarantee the constitution together with the president," Stroyev stated.

Regional Affairs

Russia: Russian, Chechen Opposition Talks Postponed Indefinitely

LD2006131196 Moscow INTERFAX in English 1253 GMT 20 Jun 96

[FBIS Transcribed Text] SOUTH CHECHNYA, June 20 (Interfax) — Negotiations between the Russian delegation and Chechen separatists scheduled in Shali or Groznyy on Friday have now been postponed indefinitely following the rebels' refusal to attend.

The rebels will not consider any further talks unless Moscow starts observing the military accords the two sides signed in Nazran, Ingushetia, on June 10, a rebel representative told Interfax.

The agreement provides for a cease-fire, the unblocking of Chechen villages by Russian troops by July 7 and Russian pullout from Chechnya.

The representative accused Moscow of failing to observe any of the three points. By contrast, he said, Russian troops have increased the number of checkpoints and provoke the militants to return Russian fire.

There will be no effect from a meeting between the chief negotiators on both sides unless Russia complies with its own obligations, rebel leaders told Tim Guldimann, head of the OSCE [Organization for Security and Cooperation in Europe] mission mediating in the talks.

The rebel representative said that Chechen military commander Aslan Maskhadov planned to discuss the issue with his Russian counterpart Vyacheslav Tikhomirov during a meeting on Friday. The two men are in charge of the working groups on military issues on both sides.

But no word is given of where and when.

Russia: Grachev Dismissal 'Positive Influence' on Chechen Talks

LD2106093796 Moscow INTERFAX in English 0910 GMT 21 Jun 96

[FBIS Transcribed Text] MOSCOW, June 21 (Interfax) — The mass reshuffle within Russia's defense and security departments will have a positive influence on negotiations in Chechnya, head of the press service of the Russian State Commission for Chechen Settlement Sergey Slipchenko told Interfax Friday.

The dismissal of Russian Defense Minister Pavel Grachev and Director of the Federal Security Service Mikhail Barsukov would mean "a transition to political realism, whose carriers are President Boris Yeltsin and Prime Minister Viktor Chernomyrdin," said Slipchenko.

He thinks the work of the State Commission was influenced by some generals "who thought the gunmen must be finished because the ground was cut from under their feet. This stance brought certain tension in the negotiations with Chechen separatist leaders."

Other members of the commission thought the policy of political settlement in Chechnya should be continued despite complications and some differences. "The influence of active supporters of settlement by force has gone," said Slipchenko.

Slipchenko said the nomination of Aleksandr Lebed as secretary of the Russian Security Council and presidential national security aide "would enhance political realism." He stressed Lebed was against the deployment of Russian troops in Chechnya from the very beginning and his repeated statements that "Russia has had enough wars" inspire assurance the Chechen crisis "will soon have a radical turn towards genuine stabilization."

The press center head was asked by Interfax about the agenda of a meeting of federal troops commander Vyacheslav Tikhomirov and head of the Chechen rebel staff Aslan Maskhadov in Chechnya. He said there are two issues to be considered, namely termination of hostilities in Chechnya and termination of "the so-called special operations" of the federal troops.

The sides will also discuss illegal carrying of arms in Chechnya.

Representatives of the State Commission for Chechen Settlement will leave for Chechnya next week to meet Chechen opposition leaders as part of negotiations.

Russia: Chechen Opposition Seeks OSCE Help With Federal Forces

LD2006140796 Moscow INTERFAX in English 1204 GMT 20 Jun 96

[FBIS Transcribed Text] SOUTHERN CHECHNYA, June 20 (Interfax) — The Chechen opposition has asked the OSCE [Organization for Security and Cooperation in Europe] mission in the Chechen capital of Groznyy to intervene on its behalf with the federal forces.

They asked the OSCE mission "to influence the federal side so that the Russian units stop provocations aimed at the resumption of large-scale hostilities and frustrate the implementation of the agreements" signed in Moscow in May and in Nazran in June.

A spokesman for the separatist headquarters told Interfax that the recent incident near the village of Alkhan-Yurt (15 kilometers to the west of Groznyy) took place on Wednesday, June 19, when "a convoy of Russian armored vehicles on the move to Groznyy opened fire at this settlement."

The Chechen Interior Ministry reports that 120 rebel fighters sealed off 20 policemen on Wednesday in the village of Alkhan-Yurt. The two sides engaged in fighting but the villagers managed to persuade the militants to leave the village. At the same time, a federal armored personnel carrier, moving to come to the aid of the policemen, hit a mine near Alkhan-Yurt.

After the federal artillery stopped shelling the village, local volunteers had to retaliate and destroyed two armored personnel carriers, the spokesman said.

After a 90-minute battle three villagers and one volunteer fighter were killed, and one volunteer wounded.

From seven to 15 servicemen were killed on the federal side, the separatists said.

According to the opposition, separatist positions came under fire 39 times yesterday, mainly in the Nozhay-Yurt and Vedeno districts of southern Chechnya. They were shelled by artillery pieces, tanks and by mortars. One separatist was killed and eight people wounded, said the spokesman.

Russia: Developments, Elections in Chechnya Viewed

MM2006141396 Moscow IZVESTIYA in Russian 20 Jun 96 p 5

[Article by Irina Dementyeva: "War Against Peace. Who and What Is Behind the Elections in Chechnya"]

[FBIS Translated Text] People in the Chechen Republic went to the polls to elect Russia's president and [Chechen] People's Assembly deputies.

This is how the news from Groznyy came in:

ITAR-TASS. According to data available as of 1000 hours, more than 60 percent of all voters had taken part in the election.

[Radio] Voice of the Chechen Republic. 1600 hours, 17 June. No data available. Promised in the evening. Zyuganov leads in Groznyy's three precincts. Gantemirov (former mayor of Groznyy, arrested on embezzlement charges. Held at the Lefortovo preliminary detention center) has been elected to the People's Assembly.

Telephone call from Groznyy. "We don't know where people are voting. We know that there is a polling place next to Government House and the Federal Administration. The whole area is cordoned off by armored personnel carriers, and people who work in those building have probably voted. We haven't been anywhere."

INTERFAX. 40 percent of the republic's voters who went to the polling places to vote have voted for Russian Federation President Boris Yeltsin. In total, according to the republic [electoral] commission's data, 58 percent of voters (about 278,000 persons) took part in the election of Chechen Republic People's Assembly (parliament) deputies, and almost 60 percent (300,000 persons), took part in the election of Russian Federation president.

Telephone call from Groznyy (journalist friends). Elections were properly held in Groznyy's Oktyabrskiy Rayon, in Nadterechnyy (Zavgayev's) Rayon, and partly in the Urus-Martan rayon center. Elections were not held not only in Vedenskiy Rayon which is controlled by resistance forces, but also in Gudermes, Shali, Nozhay-Yurt, and other large and small population centers in the republic. Goyskoye, for example, has been razed to the ground. But its residents, despite the cessation of fighting, are not being allowed to return to their ruined homes. Indeed, how could the village vote, seeing that its residents are scattered all over the republic and bringing together even 20-30 of them is a virtually impossible task? All of Bamut's residents are living in Ingushetia — where, how, and whom could they elect?

Saidi Khozhaliyev, editor of the regional newspaper MARSHO, which is published in Urus-Martan, failed to contact IZVESTIYA. A bad sign.... We had already received reports that the newspaper would be unlikely to survive the elections — it would be closed down.

I think that Zavgayev would have been the calmest of all while votes were being counted. No, he would not have relied on blind chance. News coming in from Groznyy: 40 percent for Yeltsin, Zyuganov lagging seriously behind. Lebed coming in third.... Everything is almost identical to what is happening in the president's native Yekaterinburg!

As early as in the morning of 16 June, looking at the veracious lenses of television cameras, the head of the republic gave a figure for people who have voted — 50 percent. About an hour and a half later, the republic electoral commission chairman artlessly told the selfsame journalists: 23 percent of voters had cast their votes by 1200 hours. Why are there no observers? So go out and observe for yourselves, Doku Gapurovich advised them. Sergey Gaponov from NTV did observe that any number of ballot papers could be obtained by showing other people's passports or without showing any passport at all. A television crew which managed to get to Shali discovered an empty hall where the polling place should have been. Foreign journalists report that they themselves were able to vote. Some of them even did so several times.

Frankly speaking, Boris Nikolayevich is not the most popular man in Chechnya. I assume that he is well aware of this.

Even people who have never visited Chechnya but have followed the television and newspaper reports can imagine how a Chechen might vote in a secret ballot. As for those who have been to Chechnya, seen with their own eyes what has become of it, and talked with various people on both sides, they have never had any doubts about the expected result.

Nonetheless, the distribution of votes in the presidential ballot is probably close to reality. As always, the Army has come to the rescue. Doku Zavgayev said in an interview that there are 483,000 Russian servicemen serving in the republic. In all likelihood, this figure is not a figment of his imagination. And if it is close to the true number, it is perfectly capable of accounting not for just 60 percent but for all 97 percent of people who voted. And it is claimed that appearance at voting places had been meticulously insured! Now we can see that the president's visit to Severnyy Airport near Groznyy and the signing of the demobilization edict on an armored vehicle constituted a farsighted move.

It looks as if Zavgayev has played both ends against the middle. If Yeltsin gains victory again, then he, Doku Gapurovich, has ensured the president's stunning success in his republic! If the Communists come to power, what could he have done, this is how the Army voted.

Quite recently B. Yeltsin, proclaiming Zavgayev to be his mainstay in Chechnya, hesitated and recalled his surname only after someone's prompting. The republic has not, of course, forgotten its top man — first secretary of the CPSU republic committee who, to all intents and purposes, handed power to Dudayev without shedding a drop of blood. But only a few people outside his native republic knew him, mainly in the CPSU Central Committee and the Gosplan [USSR State Planning Committee].

Is there anyone who has not heard of Zavgayev today?

It must be assumed that Doku Gapurovich does not intend to retreat again into the political wilderness, the way it happened five years ago. At that time, having rashly supported the SCSE [State Committee for the State of Emergency], he misjudged and lost his grip on the helm [kormilo] of power, ending up almost at the bottom — just a chief of section at the Russian President's Administration. Let me make this specific reservation: I use the word helm as a synonym for a tiller, not for a source of income [kormleniye]. Even though, looking at the long-established customs of Russian officialdom, the fact that these two words ["kormilo" and "kormleniye"] sound so similar is no accident. How else could one explain, for example, not the legendary "Chechen money transfers" attributed to Dudayev, but the hard cash amounting to 11.25 trillion rubles, appropriated just by the end of last year for the restoration of Chechnya's economy and social sphere, which has gradually vanished.

Nonetheless, I do know some deserving people in Chechnya who pin their hopes on Zavgayev. There are probably many more of them than just those whom I know, especially in Nadterechnyy Rayon. He is also supported by the small Communist Party of the Chechen Republic [CPCR]. According to its own claims, it resumed its activity more than a year ago "as part of the Communist Party of the Russian Federation [CPRF]" and holds weekly sessions.

In its address to the people of the Chechen Republic the Presidium of the CPCR as part of the CPRF, having condemned the "reactionaries styling themselves democrats and freedom fighters," declared: "We have a head of the republic elected by the people..., but the stabilization of the situation in the republic is hindered by those selfsame reactionary forces, the criminal financial bourgeoisie with a certain national homogeneity." (Being true internationalists, they are trying to correct an historical error by substituting the traditional "national homogeneity" for "persons of Caucasian nationality.")

To use Anpilov's expression, the Communists will not have to "straighten out" Zavgayev. He has not committed any major mistakes as far as they concerned, having only exchanged kisses with Yeltsin. But even this could be interpreted as just a tactical move.

Nonetheless, Zavgayev deemed it necessary to engineer a major scandal by scheduling the People's Assembly election contrary to the agreement reached in Nazran with a delegation of warring Chechnya and trying to expel from the republic the OSCE [Organization for Security and Cooperation in Europe] mission which could have monitored this "election."

Such a blatant attempt not only to wreck the talks, but also the behavior of the head of power in Groznyy who is recognized by Moscow, which clashes with many election campaign statements by Russia's president, is not typical of D. Zavgayev. He could have taken the liberty of displaying open "daring" only on the basis of assurances of serious support from Moscow.

There are, of course, perplexing factors: This time Russia's president himself insists on direct talks with leaders of the armed opposition (the expression currently used for the Dudayevite resistance), invites them to the Kremlin, and personally monitors the progress of the Nazran agreements; in other words he gives the impression that he would do anything to prevent the process of peaceful settlement in Chechnya getting bogged down as it did last year, and that this policy guideline set by him should be toed by functionaries of any rank. Furthermore, and as part of the planned compromises, the postponement of parliamentary elections in Chechnya, which is still far from calm, was dictated not only by the warring side's ultimatum but also by common sense and the actual situation. Nonetheless, Zavgayev did hold the election!

His current whimsical behavior suits the hawks in President Yeltsin's entourage whom he knows, as well as the hawks in Zyuganov's entourage. It is not a sense of injury for being kept out of the talks with Yandarbiyev, it is not ambition, but apparatus calculations — this is the source of Zavgayev's "autonomy."

The calculations are quite simple:

— an elected People's Assembly would confirm his, Zavgayev's right to hold the office of head of the republic;

— the election would wreck the peace talks, thus sidetracking any possible rivals for power;

— the physical sidetracking of gunmen and their commanders and the presence of military garrisons would ensure his personal safety and would give him an opportunity to leave the bunker at Severnyy Airport and to properly control the republic territory;

— this would guarantee the support of an extremely influential group in the country's political and military leadership.

Zavgayev could firmly count on the patronage of O. Lobov, until recently secretary of the Security Council and the president's plenipotentiary representative in the Chechen Republic, to whom executive authorities and federal troops are subordinate. He could also count on mutual understanding with O. Soskovets, chairman of the State Commission for the Restoration of the Chechen Republic's Economy and Social Sphere, on whom the transfer of state funds depends.

For a long time O. Lobov has been the most influential champion of a strong-arm solution to the Chechen problem and has always striven to transform it into a so-called "intra-Chechen dialogue." A "dialogue," as a matter of fact, like the one when tanks leased by the opposition marched on Groznyy and started the war in Chechnya.

It must be said that O. Lobov is not the first man to have tried to pacify unruly Chechnya using Chechen hands. The famous General Yermolov wrote in the last century: "So far there has been no precedent of anyone being able to force Chechens to fight their fellow-countrymen, but a step in this direction has already been taken and they have been told that this will always be required of them." Otherwise, according to the instructions, villages would be burned down and women and children would be slaughtered.

Remaining loyal to his principles but with due consideration for the peacemaking vocabulary, O. Lobov hastened to tell the Vaynakh Television and Radio Broadcasting Company that the elections have "confirmed the importance of the intra-Chechen dialogue and have proved the Chechen people's desire to solve disputed question by peaceful means," and issued a call to the "legitimate organs of power in Chechnya, including those elected to the People's Assembly for the transition period, to take part in the peacemaking process." Legitimate means Zavgayev and the People's Council he has appointed! They are backed by General Tikhomirov, practitioner and theoretician of Chechnya's pacification. He himself believes that he is already close to a final solution to the Chechen question. "...We must admit that today we are standing amid the ruins of the Chechen people and the republic. Another 18 months or two years of way, and this long-suffering land will be deserted." This is a quotation from his public address to the Chechens. The general does not feel embarrassed. He has, of course, already prepared a theoretical substantiation for the devastation he wreaks: "...The entire way of life and lifestyle of mountain peoples has nurtured among them a traditional respect for strength and an inclination to perceive any concession by the central authorities as a sign of weakness."

In order to prevent giving the impression that Moscow is denouncing the Nazran agreements, S. Stepashin had to refer in his television statement to some "transitional nature" of the People's Assembly elections. This should be taken to mean that proper elections would be held later on, once democracy has triumphed.

Thus, the attempt to wreck the talks seems to have failed, especially since the other side is not interested in the resumption of combat operations. We know of Maskhadov's recent statement that, despite the provocations by forces eager to continue the war, the resistance detachments would not conduct combat operations, especially between the two rounds of the presidential election.

Zavgayev never tires of repeating that the imposition of peace across the republic's entire territory is his main task.

Cardboard files with the inscription "Peace Zone Passport," intended for the republic's cities and settlements, kept piling up on desks in Chechen Government offices and the Federal Administration all through spring. According to official Groznyy reports, all of Chechnya had already become a "compact peace zone," yet meanwhile Goyskoye and Komsomolskoye, just 30 km away from the capital, were being bombed and I witnessed the burial of an 18-month old "gunman" at a crater-pocked cemetery. The cardboard peace zone initiative is hardly likely to prevent the introduction of the Yermolov Cossack Brigade in Chechnya. Just a mention of this pacifier of the Caucasus, let alone the "combat operations" against the civilian population, proclaims intentions which are far from peaceful and presupposes the evolution of the civil war into an even more fierce form — an ethnic war.

The war in Chechnya is an invaluable gift by fate for the hawks. It gives a meaning and substantiation to ideology, it focuses on the enemy image, it rallies like-minded people, and it sharpens the feeling of comradeship and the feeling of ferocity — the two necessary elements for bringing associates together. But the most important point is that Chechnya is a test ground for rehearsing military, political, geopolitical, and demographic scenarios. Of course, the republic also smells of oil and it smells of money which is well laundered but this, as the saying goes, is a topic for special study.

The military, regardless of political beliefs, are fighting here and, as they did earlier in Afghanistan, are gathering experience. They are paying with their lives for this experience. The Chechens — warring and civilian alike — are also gathering experience. They are also paying with their lives for it.

Until quite recently they expected that Russian public opinion would help to halt the devastation of cities and the destruction of the republic's population. They also pinned great hopes on the world public, backed by the governments of democratic countries and famous for its persistent championing of human rights. It took some time, but they did realize that Russia does not have a society which could influence the authorities, that public opinion is split, and that the country is waging a cold civil war which every now and then erupts into fire and blood in "hot spots." The Chechens realized that, unfortunately, their own motherland had become such a "hot spot." They also realized that the world community is busy mowing lawns in cottage gardens, and that they can only rely on their own efforts.

But the Chechen society is also split, and a split and polarized society is unstable and can easily slide toward totalitarianism with all the disgusting features typical of this system: repressions, denunciations, suppression of individuals.

A tough regime begins with law and order. Law and order begins with lists of persons hindering the imposition of law and order. Last spring all of Chechnya was talking about secret proscription lists of persons liable to unconditional detention, despite any documents they might produce. The publication of one such secret list, comprising 843 surnames, not only by Dudayev's ICHKIRIYA but also by the popular regional newspaper MARSHO, created a sensation. More than 800 persons were being warned about the danger of being arrested! The "For Official Use Only" directive about "detention regardless of any passes issued by any Chechen Republic department or by the command of the Russian Federation grouping of federal forces" was signed by

Major General M. Rybakov, commander of the group of Russian Ministry of Internal Affairs Internal Troops in the Chechen Republic. One is particularly impressed by the note, appended to the directive and signed by a certain Colonel Volkov: "Lists compiled on the basis of denunciations by individuals loyal to the Russian Federation Constitution...." The attempts by the authorities to dismiss this publication as a forgery or a misunderstanding were not accompanied by any official denial, while there was also the indisputable fact that at least 50 persons on this list have already been arrested.

Nonetheless, during a recent business trip there, I saw for myself how almost the entire editorial office was summoned to the Prosecutor's Office and was asked to name its source and cease printing the lists (publication stretched over a few issues). The editorial office referred to the Law on the Press and the absence of a state of emergency in the republic, this being the only case when censorship is permissible, and explained that the list contained the names of many people who had simply failed to express respect for D. Zavgayev. You could land inside, just like in the "good old times," for uttering a careless word or writing a poem. Some of the surnames are not followed by given names, many Chechens share identical surnames, and soldiers at checkpoints have a chance to arrest all and sundry. This forces many men to go into hiding, flee to the mountains where they swell the ranks of the resistance, or leave the republic. According to some reports, the outflow of population from Chechnya has resumed recently. People are leaving not because of the war, but because of such a peace with such harsh consequences.

There is not the slightest ground for considering this to be just a local event, a part of the "intra-Chechen dialogue" as it were. The point is that the composition of lists based on reports by some vigilant persons "loyal to the Russian Federation Constitution" is a mechanism ready for application across Russia's entire territory should the political situation change. And if we were to accept that the bleeding Caucasus that is being pacified is a test ground when our possible future is being rehearsed, the none of us should be envied.

Another sin committed by MARSHO, as far as the republic's official authorities are concerned, is the fact that it conducted a broad debate on the elections to the republic's People's Assembly.

The analysis offered by the newspaper showed that the smart trappings which are meant to create a semblance of a parliament would lead neither to peace nor to accord, but only to yet another imitation of peace, in other words another round of the war.

Not a single constitution, the newspaper reminded its readers, including the Russian Constitution, allows elections to be held before a month has elapsed from the day they are announced. But if the People's Assembly elections in Chechnya are recognized as valid, Chechnya would acquire a bicameral parliament, one-third of which would be appointed by the head of the republic. The legitimacy of both is extremely dubious.

In conclusion, the newspaper reported how even Zavgayev's Supreme Council voted to hold the elections way back on 12 May. The deputies present in the hall were 25-percent short of a quorum and some of them, on learning the topic of discussion, left the hall.

It is understandable that the newspaper MARSHO, which was published illegally even under Dudayev, is again doomed to go underground. Its closure on the eve of the 65th jubilee anniversary would be a great loss, and not just for Chechen readers.

It seems, though, that the newspaper's fate is similar to that of all democratic institutions in this republic: They either do not exist, or they are impotent. Just before the election, the Presidium of the current "Zavgayev's" Supreme Council of the Chechen Republic voted by eight votes out of 12 against holding it. But who listened to them?

The purpose of provincial political games is to ensure a reliable future for one or maybe several persons. And yet there are far more important matters to be resolved.

Russia has held free and democratic presidential elections. But democracy is indivisible. It cannot be complete in a country where part of the territory is under undeclared state of emergency and is governed by a regime imposed from the top and not recognized by the republic's entire population.

The illegality of the "interim" election of a People's Assembly, a kind of "pre-parliament," has essentially been admitted by Russia's official authorities. This election has a meaning only for those who are interested in wrecking the talks and continuing the war.

If the peace talks are wrecked this time too, despite all the efforts that have been made, the time bomb planted for the president in Northern Caucasus will actually explode.

Russia: No News of 'Vanished' Dudayev Widow's Whereabouts

MM2006144096 Moscow IZVESTIYA in Russian 21 Jun 96 pp 1, 2

[Report by Valeriy Yakov: "Where Has Alla Dudayeva Vanished?"]

[FBIS Translated Excerpt] Alla Fedorovna Dudayeva, the widow of the Chechen leader, had been summoned to an appointment in the Federal Security Service [FSB] waiting room on Kuznetskiy Most to see the investigator and be questioned as a witness at 0930 hours 20 June. Dudayeva did not appear in the FSB, however. But this did not come as a surprise to the investigator because he knew that Dzhokhar's widow had already been on the wanted list for a week.

Until today this sensational information was known only to the investigators involved in the search for the vanished widow, those who had taken her off somewhere a week ago, and also Alla's father, Fedor Vasilyevich, who is waiting for some news from his daughter everyday. But there has been no news, Alla is not returning, and the meeting which we had planned with her has not taken place.

Let me remind readers that Dudayeva's appearance in Moscow, and her subsequent appeal to support President Yeltsin's line in the election, had also caused a sensation. Not just among Russian television viewers, but also in Chechnya — among Dudayev's supporters. By then it was already known that Alla had been detained in Makhachkala while trying to fly out to Turkey on a forged passport. But not many people knew that after a few days spent in a "luxury" room at a hotel in Kislovodsk under the protection of FSB staffers, Alla was flown to a military airfield near Moscow and from there driven to her father's home. [passage omitted]

Economic Issues

Russia: Personnel Reshuffles: Little Effect on Financial Markets

LD2006185596 Moscow INTERFAX in English 1534 GMT 20 Jun 96

[FBIS Transcribed Text] MOSCOW, June 20 (FIA-Interfax) — The latest personnel reshuffles in Russia, as well as statements by the newly-appointed Security Council Secretary Aleksandr Lebed about preparations for a coup have caused certain nervousness in Russia's financial markets.

Most operators in the market of corporate securities have described the latest events in Russia as evidence of political instability. Markets on Thursday morning opened in a bearish mood, with most shares down 5-7 percent from Wednesday afternoon.

However, on the whole financial markets responded weakly to the latest political events. The market for MinFin bonds was vapid because foreigners, who account for 50 percent of the turnover, were not participating in trades. According to one trader, Western banks are the most likely to respond sharply to government reshuffles in the Russian government.

Bids for Treasury bills continued to grow. However, it is difficult to say whether it is an effect of personnel changes. As foreigners take an active part in T-bill trading, it is not ruled out that their actions caused prices to grow, dealers said.

No noticeable changes in the off-exchange currency market were observed, but the situation there is unstable. The U.S. dollar on Thursday oscillated from 5,062-5,065 rubles to 5,072-5,076 rubles per dollar. Market participants said Thursday's fluctuations were most probably caused by the fact that many banks stepped up speculative transactions.

The situation in the Moscow market of inter-bank loans is unstable, however, this is due to "purely economic reasons, and not personnel reshuffles." The Moscow market of partially convertible currencies proved more resistant to political influences than the others. Thursday quotations of the Ukrainian karbovanets were at 181,600/181,300 per dollar. Market operators were inactive.

Russia: Stock Market Plunges After Recent Leadership Reshuffle

LD2106084196 Moscow INTERFAX in English 0754 GMT 21 Jun 96

[FBIS Transcribed Excerpt] MOSCOW, JUNE 21 (FIA) — Prices for most stocks plunged between 5% and 7% Thursday after warnings of a coup plot sounded by newly appointed security chief Aleksandr Lebed and the Thursday sacking of Russian First Deputy Prime Minister Oleg Soskovets and top security officials.

Shares had surged Monday through Wednesday after Boris Yeltsin won a first-round presidential poll and then forged an alliance with third-placed Lebed.

The Interfax Composite Index tumbled 2.06 points in rubles and 1.83 points in dollars after declines of 4.08% for Rostelecom, 3.16% for Unified Energy System, 3.09% for Mosenergo and 2.94% for Komineft. But prices rose 21.56% for Lenenergo, 6.12% for Samaraenergo and 6.12% for Gazprom. [passage omitted]

Russia: Industrial Output Four Percent Lower During Jan-May

LD2006125396 Moscow ITAR-TASS in English 1206 GMT 20 Jun 96

[FBIS Transcribed Text] MOSCOW, June 20 (Itar-Tass) — According to the information of the Russian statistical committee, the Russian output of products (works, services) in January-May 1996 was four percent less than the same period last year and amounted to 518,000 billion roubles.

The average daily output of electricity dropped in May of the current year as compared with April by 13 percent at nuclear power stations, and 25 percent at thermal power stations, while increasing by ten percent at hydropower stations.

In oil extraction, the average daily output in May grew by two percent as compared with April. The output of oil in January-May 1996 amounted 122 million tonnes, a decline of two percent on the same period last year.

The average daily output of gas in May 1996 decreased by 13 percent as compared with April. Gas output declined also in the Tyumen region which accounts for 92 percent of the total Russian output of gas. Altogether, 254 billion cubic metres of natural gas was extracted in January-May 1996, a one percent growth on January-May last year.

The average daily output of coal in Russia's biggest coal basins in May was lower than in April. In the Kuznetsk coal basin the average daily output of oil dropped by nine percent, in the Pechora basin by eleven per cent. Donetsk basin 18 percent, Kansko-Achinskiy basin 48 percent, Altogether 114 million tonnes of coal was mined in January-May 1996, a growth of two per cent on the correspondent period last year.

Russia: Mikhaylov on Nuclear Sector's 'Five Pillars'

MM2106101996 Moscow KRASNAYA ZVEZDA in Russian 19 Jun 96 p 4

[Account of conversation with Russian Federation Atomic Energy Minister Viktor Mikhaylov by Mikhail Rebrov; date and place not given: "Bombs and Megawatts: The Five Pillars of the Ministry of Atomic Energy"]

[FBIS Translated Text] The endless discussion which has turned the issue of nuclear electric power stations into a contest to see who has morality and "reality" on their side was again stirred up on the eve of the anniversary of the Chernobyl tragedy. It would seem blasphemous at such a time to argue that "good is evil and evil is good." Evil is only evil. It is beyond all question. And its nature is obvious. That is why some people doggedly insist that nuclear power stations (and Russia's nuclear department with them) are a "human evil."

My meeting with Minister Viktor Mikhaylov, who combines in one person the roles of physicist (he is the scientific chief of Arzamas-16), theorist and practitioner, organizer of one of the biggest sectors in the country, and member of the Security Council, provides an answer to that question — an answer which is not superficial but plunges deep into the anatomical study of its nature.

"To understand whether nuclear power stations should be built it is advisable to ascertain what today's energy requirements are and whether they can be met by other reliable and safe sources," the minister began. He then cited his first argument:

"Society's energy requirements grow with daunting speed as industrialization takes place. They double approximately every 20 years...."

There were other arguments too. The earth's underground reserves of oil, gas, and coal are diminishing all the time. Mankind burns up 10 billion tonnes of fuel, in coal equivalent, every year. Thirty-five billion tonnes of oxygen are "removed" from the atmosphere in the process and a "buildup" of carbon dioxide takes place. The consequences of this process are dangerous to us, the inhabitants of the earth, the climate, and the size of the earth's land mass. Quite a lot of slag and other waste are also accumulated. Do the global and local environments suffer from this? They undoubtedly do.

Nuclear electric power stations have become a fact of our age. A positive fact, according to the minister. There are around 430 power units (another 48 are under construction) in the world today and they produce 16 percent of the electricity generated (in France nuclear power stations account for 75 percent, in Japan 40 percent, in the United States 24 percent, and in Russia 12 percent). One in six electric light bulbs is lit by a nuclear power station. One kilogram of natural uranium (and it contains a mere 0.7 percent of the U-235 isotope) is equivalent in its energy potential to 20 tonnes of coal.

Do we have highly active waste products? Yes, we do. But.... One 1,000-megawatt nuclear power station creates in one year's operation a quantity of waste which can be reliably sealed in a 1 cubic meter block of glass.

Safety? According to the minister, improving the safety and the trouble-free operation of Russian nuclear power stations is one of the department's main tasks. These programs receive generous (by today's standards) investment. The development of the base project for a nuclear electric power station using a new generation, enhanced-safety VVER-640 reactor has been completed, and the prototype of a new integral reactor which has no equivalent in the world was commissioned in the city of Sosnovyy Bor last year. The powering up of the first phase of a nuclear-laser unit for the direct conversion of nuclear fission energy into laser radiation has been carried out in Obninsk.

The minister described the nuclear power complex, which includes the development and construction of nuclear power stations and the operation of nine existing stations (29 power units) with a total capacity of more than 21 gigawatts, as the second pillar. The first is the nuclear weapons complex, a unique national complex for the design, production, servicing by the manufacturer, development, and recycling of nuclear weapons. And although military output represents a mere 10 percent of the total volume of work, this is one of the most complex forms of manufacturing.

Incidentally, it is more difficult and dangerous to dismantle a nuclear warhead than it is to assemble it. The Americans spend $50,000-100,000 on recycling one warhead, we spend $10,000-15,000. This is done in special chambers using special technology. I would add that the nuclear weapons complex also includes the production of power units for missile-carrying submarines and surface ships.

Fundamental and applied science form the third pillar. Here they study problems in the sphere of solid-state physics, nuclear physics, high-energy physics, the physics of thermonuclear fusion, accelerator physics, the physics of high-powered lasers, the physics of superconductivity, and so forth.

Machine building and instrument making for the nuclear industry make up the fourth pillar. This forms the technical base of the sector, ensuring the development and production of custom-made equipment for atomic power and industrial enterprises.

The nuclear fuel cycle is the fifth and final pillar: The extraction, treatment (the enrichment and production of fuel elements), reprocessing of spent fuel, and the storage and burial of waste....

The minister made no secret of the fact that the number of disruptions in the operation of nuclear power stations (measured in terms of the seven-level international scale) last year was three incidents, no higher than level 2, while 1994 saw seven such violations. He noted not without pride that, by this criterion, Russian nuclear electric plants are among the best in the world.

What else can be said about the country's nuclear sector? Here we can extract gold with a purity of 99.99 percent, create systems and means of purifying production environments, produce supercomputers, large-scale production units for the materials of the future (rare-earth elements, industrial diamonds, scandium, osmium, tungsten, molybdenum, platinum, and so forth), communications systems based on fiber-optic technology....

It is impossible to list everything. Advocating the sensible use of atomic energy and regarding nuclear electric power stations as the basic source of energy of the 21st century, sector specialists (of whom there are more than 800,000, including around 30,000 academicians and doctors and candidates of science) devote attention to the development and exploitation of nontraditional sources of energy and methods of storing energy (heat accumulators, solar batteries, wind-powered generators, chemical sources of current). And, lastly, the foreign trade sales of the Ministry of Atomic Energy's products were worth $2 billion last year.

The sector does have its problems too. They are various: financial, personnel, technological, and social (10 closed cities represents a considerable "burden"). And yet safety is paramount — it is the norm rather than a slogan here. It is hard work, but what comes easy today?

Russia: Oil Exports, Budget at Risk From Reappearance of Iraq Oil

MM2006132296 Moscow FINANSOVYYE IZVESTIYA in Russian 20 Jun 96 p V

[Report by Denis Kirillov and Mikhail Perfilov, correspondents for FINANSOVYYE IZVESTIYA and the PETROLEUM ARGUS Agency: "Iraqi Oil in Mediterranean Presents Threat to Russian Exports"]

[FBIS Translated Text] According to the experts, the appearance of Iraqi oil in the Mediterranean will have a powerful impact on Russian exports to the region in the months ahead.

The Ministry of Fuel and Energy's plan for the export of 1,200,000 barrels of oil a day in 1996 to provide federal budget revenue, according to the analysts, is now on the verge of collapse. The agreement between the United Nations and Baghdad signed at the end of May which allows Iraq limited sales of oil in order to buy food and medicine will seriously hit Russia's oil exports.

The document in question allows Iraq to sell oil worth $2 billion over six months this year. At current prices this could mean 600,000 barrels of oil a day, the bulk of which, according to the document, will be piped to the Mediterranean via the Turkish port of Ceyhan, thus increasing supply to this region by almost 20 percent.

In practice Iraq's exports to the Mediterranean are expected to be around 400,000 barrels a day. This will offer serious competition to certain grades of oil in the region, particularly Iranian heavy oil and Russian Yurals grade oil. Japan, Taiwan, and Korea have now declared an interest in the Iraqi oil. British Petroleum, Repsol, Agip, Oil Energy, Galaxy, and Petrobras have shown particular interest. Texaco and Mobil are insisting that U.S. companies are also able to buy Iraqi oil, although this depends on the U.S. Administration's policy.

Procedural details suggest that Iraq could begin exporting as early as July, and traders are presuming that the Yurals discount on the price of Brent oil (the benchmark blend which determines prices for all other grades in terms of discounts) could rise by 30 cents a barrel or more. Some refiners are showing an interest in Iraqi oil and are setting prices for Karkuk oil at the level of Iranian light oil — 20 cents a barrel less than Yurals — so that Russia will be forced to cut prices in order to maintain sales volumes. This comes on top of the already weakening Brent prices at a time when there is a general trend toward lower oil prices.

Russian exporters are especially vulnerable to short-term Iraqi contracts in the region because 80 percent of Russia's oil sales in the Mediterranean are based on spot — one-shot — deals. Iran, which will also be seriously hit by the appearance of Iraqi oil, could switch to other markets, unlike Russia which, with its weak export infrastructure, has no alternative at present.

For Russia, oil export profits currently account directly or indirectly for around 40 percent of federal budget revenue. The Russian population's potential incomes will also be very heavily dependent on the volume of oil exports, oil prices, and export profits. According to Western analysts, however, the Russian Government does not fully understand the impact of world market conditions on the country. For example, Russia worked with France to secure the lifting of the UN sanctions to enable Iraq to settle its debts and to promote trade and oil projects in Iraq. A consortium of Russian companies has a stake in the project to develop Iraq's Western Qurnah field — Lukoil has 70 percent, Mashinoimport has 15 percent, and Zarubezhneft has 15 percent. They are taking part in the project to develop the Northern al-Rumaylah field. Other Russian companies, such as Slavneft and Sidanko, are also interested in cooperation with Iraq.

The United States is insisting that the complete lifting of the embargo be postponed so long as Saddam Hussayn remains in power. Experts are predicting that the embargo will be lifted in a few years. When sanctions were imposed on Iraq in August 1990 oil exports were limited to around 80,000 barrels a day, but if sanctions are fully lifted Iraq will restore oil exports to the level of 2.6 million barrels a day. Consequently Russia still has several years to organize the export system properly and carry out tax reform.

Russia: Russia's Oil, Gas Role Set To Increase

MM2106091396 Moscow FINANSOVYYE IZVESTIYA in Russian 20 Jun 96 p IV

[Article by Konstantin Baslayev: "The Foundation for Conquering the World Oil Everest Is Being Laid in Russia Today"]

[FBIS Translated Text] According to the experts, a comparison of the potential of Russia's oil and gas base with that of other oil- and gas-producing regions of the world reveals that our country's role in world oil and gas extraction will increase in the 21st century. The foundations of this development and its participants are taking shape even now.

At the same time, Vadim Dvurechenskiy, deputy minister of fuel and energy, speaking in London at the fifth international conference "Trade and Investment Opportunities in the Russian Oil Industry," noted that recent years have seen a significant reduction in geological exploration work. The annual volume of exploratory drilling in Russia is currently 1.3 million meters and the most important task is to increase the annual volumes by 200-300 percent. It is calculated that this would ensure an increase in new stocks two to three times greater than annual production volumes.

By the beginning of 1996 some 1,946 oil, oil and gas, and oil and gas condensate deposits had been discovered in Russia, of which 1,093 are being exploited.

Because of the lack of investments the oilmen adjusted the programs for the commissioning of new facilities. They plan to start exploiting 274 oil deposits in the period up to 2000. Including those that will be developed with the help of foreign capital.

In 1995 Russia produced 307.7 million tonnes of oil and condensate, 595.4 billion cubic meters of gas, 262.2 million tonnes of coal, and 862 billion kilowatt-hours of electricity. Oil exports to Western markets increased to 95.6 million tonnes, or by 7.4 percent. The volume of supplies of oil to CIS countries decreased by 18.2 percent and was 27.9 million tonnes. Exports of petroleum products remained at 40 million tonnes. Gas exports were 195.1 billion cubic meters (an increase of 6.1 percent), including 121.9 billion cubic meters to Western countries, which is 11.2 percent up on 1994.

Gas exports to the CIS countries decreased by 5.6 billion cubic meters or 7.1 percent, due to nonpayments. According to preliminary data, hard currency earnings from exports of energy sources in 1995 increased by 18.7 percent, reaching $25 billion.

The volume of capital investments in the oil industry from all sources of finance was 8.1 percent higher than the forecasts for 1995. There was an increase in investments compared with 1994 in the main Russian oil companies: "Lukoil" — by 26.3 percent; "YUKOS" — by 34 percent; "Surgutneftegaz" by 6.2 percent; "Tatneft" — by 13.6 percent; "Rosneft" — by 2.2 percent; "Bashneft" — by 22 percent; "Slavneft" — by 2.6 percent. These seven companies extracted more than 190 million tonnes of oil in 1995, which is 62.3 percent of total Russian production.

The commissioning of major production capacities has increased considerably: oil preparation installations (2.3 times); pumping stations (booster — 3.8 times; group — 1.5 times), field tanks (1.9 times), main oil pipelines (1.7 times), field pipelines (1.2 times). Unfortunately, there was no increase in the commissioning of new oil wells or reduction in the number of temporarily shut-in wells. Capital investments are still inadequate and therefore drilling progress was 8.9 percent down on 1994.

There must be an annual increase in investment in order to stabilize oil production at the level of 300-305 million tonnes in 1996-1997 and subsequently increase extraction by developing new and reconstructing old production capacities. It is calculated that investment must increase by 10 percent in 1996.

The tax system is a major economic mechanism which is in the hands of the state and which to a large extent determines both the level of domestic prices and oil companies' own investment potential. Vitaliy Butsguyev, deputy minister of fuel and energy, notes that oil production volumes are largely determined by effective demand. And it, in turn, is limited by the price of oil and petroleum products. Whereas the price of oil in Russia is around 70 percent of the world price, petroleum products are more expensive. For instance, the price of gasoline when it leaves the refinery is around 600,000 rubles [R]. But then a further R600,000 is added twice more in taxes and transport costs. Moreover, fuel that goes for export is to a large extent exempt from these payments. Consequently, it is cheaper to record fuel for ships in Vladivostok from the Angarsk oil refinery as being reexported.

The nonpayments crisis, which, after the tax system, is the main destabilizing factor affecting oil companies' finances, has not been fully overcome. The position has improved, of course: In 1994 only 40-50 percent of supplies to consumers had been paid for; in 1995 the figure was 84 percent. But because of the buildup of payment arrears and the disruption of the money supply in the oil industry, companies are still very low on circulating capital of their own.

In 1995 14 vertically integrated oil joint-stock companies extracted 280 million tonnes of oil, or 91.3 percent of Russia's total oil production. The state still exercises a regulating influence on them through controlling blocks of shares. But the period of state ownership of some of the shares is fast expiring and companies are almost at the next stage of the economic reforms in the oil industry.

According to V. Bushuyev, total investments in the Russian fuel and energy complex do not exceed $2 billion per year. Most of this has gone on setting up joint ventures which extracted around 16 million tonnes of oil in 1995. The remaining investments are tied credits, which Russian oilmen look askance at.

Vadim Dvurechenskiy believes that the next five years (1996-200) will be difficult ones for the Russian oil industry. The various forecasts for oil production in 1996-2000 depend mainly on investment potential and market demand. By the end of the period the minimum forecasts for essential production would be 320-340 million tonnes.

International Affairs

Ukraine: Foreign Minister Arrives in Warsaw for NATO Conference

LD2106112096 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 21 Jun 96

[FBIS Translated Text] Ukrainian Foreign Minister Hennadiy Udovenko has arrived in Warsaw on a brief visit. He will take part in a NATO conference, to be attended by Polish President Alexander Kwasniewski, Czech President Vaclav Havel, Bulgarian President Zhelyu Zhelev, NATO Secretary General Javier Solana, as well as foreign and defense ministers from several other European countries. Udovenko will deliver a speech on Ukraine's position regarding European security. The Ukrainian foreign minister will meet the Polish president, prime minister, and foreign minister to finalize the bilateral documents to be signed during Ukrainian President Leonid Kuchma's state visit to Poland on 25-26 June, the Ukrainian Embassy in Poland reported on 21 June.

Ukraine: Udovenko, Delegation Leave for NATO Meeting in Warsaw

LD2006153296 Kiev UNIAN in Ukrainian 1000 GMT 20 Jun 96

[FBIS Translated Text] Kiev (UNIAN) — A Ukrainian delegation, led by Foreign Minister Hennadiy Udovenko, left for Warsaw on 20 June, where it will attend NATO's 13th workshop seminar devoted to the "adoption of military and political decisions." The Ukrainian Foreign Ministry told UNIAN that Udovenko will deliver a report on "Ukraine's views on European security."

The participants in the seminar will also discuss European security: in particular, the security of the Baltic, Northern, and Black Sea regions, and of Central and Eastern Europe; and prospects for NATO's expansion.

Udovenko told journalists that the most topical issue for Ukraine at present is the creation of a zone free from nuclear weapons in the Central and Eastern Europe region, rather than NATO's expansion.

The Ukrainian delegation will return home on 22 June.

Ukraine: Kiev 19 Jun Press Reaction to Russian Elections

WS2106090996

[FBIS Report] On 19 June, Kiev newspapers continue to provide commentary on the outcome of the first round of the Russian presidential elections.

KHRESHCHATYK in Ukrainian on page one publishes an unattributed 250-word report entitled "This Is the Best Result...." providing comments on the Russian elections by Deputy Prime Minister Oleksandr Yemets and unidentified experts from the Association of Young Ukrainian Political Analysts and Politicians.

Yemets is quoted as saying that the first round result is "the best result to consolidate Russian noncommunist forces which, facing the threat of the leftists coming back to power, are forced to support B. Yeltsin." He also stresses that "Boris Yeltsin's victory in Russia will provide support for Ukraine's new constitution."

Unidentified experts from the Association of Young Ukrainian Political Analysts and Politicians think that "the Russian presidential elections will exert no influence on the consideration of Ukraine's draft constitution by the Supreme Council in the second reading." The experts forecast that the election results may mobilize political forces on both the left and right wings, but "the alignment of forces in parliament will hardly change in an essential way."

UKRAYINA MOLODA in Ukrainian on page two publishes an unattributed 200-word report entitled "Two Comrades Were Glad" on an interview by Petro Symonenko, leader of the Communist Party of Ukraine, to INTERFAX-UKRAINA about the results of the Russian presidential elections. Symonenko is assured that in the event of Zyuganov's victory in the second round, "Ukraine will not lose its independence and sovereignty." He also believes that Zyuganov's victory "will help remove problems in Ukrainian-Russian relations," in particular, it will further the removal of "barriers between our nations," "restore integration ties," and "improve the economic situation in Russia and Ukraine." Symonenko states that "the preliminary results of the elections in Russia testify to Boris Yeltsin's failure not only as a personality, but also as a politician." He also says that "Ukraine's Communists wish Gennadiy Andreyevich [Zyuganov] victory and think that it would be the best for the Russian state if a new team of sober-minded politicians came to power with the ability to objectively assess the realities of the Russian situation."

KIYEVSKIYE VEDOMOSTI in Russian on pages one and three carries a commentary by Serhiy Smetanin entitled "Do Ukrainian Leftists Need Zyuganov's Victory?" Smetanin begins by stating that the Ukrainian communists "are not in a hurry to cut fresh roses" to hail Zyuganov's election result. He suggests that Zyuganov's victory may be "inconvenient" for the Ukrainian communists. He supports this suggestion by quoting the opinions of several Ukrainian Supreme Council deputies.

Oleksandr Steshenko, a Communist deputy and member of the Supreme Council Presidium, believes that the

Russian presidential election will not impact the communist faction in its attitude toward the draft constitution, which is currently being discussed in parliament.

Supreme Council Deputy Yuriy Boldyrev says that the Communists "are afraid of Zyuganov's victory — I have heard this myself. If he wins the election, he will face an empty budget: Everything was eaten by the elections.... For example, the coming to power of the leader the Communist Party of the Russian Federation may provoke a stir in the Donbass — everybody will be expecting something. But nothing will happen, and people will begun turning away from the Communists...."

Yevhen Marmazov, leader of the Supreme Council communist faction, states: "In the event of his victory, Gennadiy Andreyevich [Zyuganov] will face a difficult task. I was told that Yeltsin was forced to print money abroad to pay wage arrears before the beginning of the elections. However, we are looking forward to Zyuganov's victory."

Smetanin also reports that "looking back to Russia, the parliamentary 'center' is worried and ready to make some concessions. To protect the Russian language, 243 signatures have been collected [among the deputies], thus allowing one to presume in theory that some formulations in the constitution regarding the [official] language may be changed." At the same time, he asserts: "Virtually everybody is sure that the ups and downs of the Russian elections will exert no radical influence on the course of the Ukrainian constitutional process." He also views one more option for the Ukrainian leftists in the event of Zyuganov's victory: "They may return to Petro Symonenko's proposal to hold early presidential and parliamentary elections. However, not everything is simple in this matter, as well. The above-mentioned Steshenko, when asked about his opinion regarding this scenario, answered sternly: 'This is a political absurdity'."

VECHIRNIY KYYIV in Ukrainian on page one carries a 400-word commentary by Hryhoriy Musiyenko entitled "The Ukrainian Card Is Becoming a Trump." Musiyenko states that it is very unlikely that Lebed's voters will give all their votes in the second round to only one candidate. Under these circumstances, he continues, Yeltsin and Zyuganov "are forced to urgently look for some 'trump card' that can tip the scale in their favor. The possibilities to find it within Russia has practically been used up; therefore, a search is being conducted in the area of the 'near' and 'far' abroad." In Musiyenko's opinion, Yeltsin focused his attention on the far abroad, looking for support in the United States, Germany, France, and Israel. Musiyenko argues that since Zyuganov cannot compete with Yeltsin in this area, he has found his "trump card" in Ukraine. Musiyenko quotes Zyuganov's statements at his news conference following the first round, where he announced that his first visit in the post of Russian president would be made to Ukraine, and that he respects Ukraine's political sovereignty. Musiyenko states: "In contrast to Zhirinovskiy or Yeltsin, Zyuganov does not threaten us with aggression, but simply calls for the restoration of 'traditional ties' between 'brotherly' nations. Zyuganov hopes that his voice can be heard by Ukrainians in Russia and Russians in Ukraine. Yeltsin is firmly sticking to the ultimatum: Unless Ukraine conclude a large-scale treaty with Russia, Ukrainian-Russian relations will remain stagnant. In practice, the point is to achieve Ukraine's unconditional surrender."

Ukraine: Polish Agreement Reached; NATO, Trade, Transport Discussed

LD2006132396 Kiev UNIAN in Ukrainian 0830 GMT 20 Jun 96

[FBIS Translated Text] Kiev (UNIAN) — At its sitting in Warsaw on 17 to 19 June, the consultative committee of the presidents of Ukraine and Poland adopted a joint communique and initialed the text of a declaration of the Ukrainian and Polish presidents, which is to be signed during an official visit to Poland by Kuchma.

The Ukrainian foreign minister's news center has told UNIAN that the sides agreed on the need to maintain mutual cooperation with European organizations and structures, and on the extent of this cooperation. They also emphasized the importance of developing regional cooperation and acknowledged the desirability of continuing regular consultations between the relevant departments of the foreign ministries.

The sides discussed in detail their stands on NATO's expansion, expressed satisfaction with the results of cooperation between military districts, and emphasized the need to develop cooperation in the sphere of military hardware, industry, and conversion. The sides analyzed the possibilities of improving the procedure for mutual payments and the system of mutual activities of Polish banks in Ukraine and Ukrainian banks in Poland. The consultative committee acknowledged the need to build a transport route between the Baltic Sea and the Black Sea, and the A-4 highway. It also deemed it expedient to continue consultations on the possibility of setting up a free trade zone between Poland and Ukraine.

Ukraine: Akayev Supports Moroz Proposal on Nuclear-Free Zone

WS2106092296 Kiev INTELNEWS in English
0240 GMT 21 Jun 96

[FBIS Transcribed Text] Kiev, June 19 — Kyrgyzstan President Askar Akayev supported the proposal by Ukraine Parliament Speaker Oleksandr Moroz to conducted in Kiev a meeting of European and the CIS countries parliament speakers on establishment of nuclear-free zones in Europe.

"Kyrgyzstan will undoubtedly participate in this meeting," Akayev said. He said that while Russia, Kazakhstan and Uzbekistan are major partners of the state he heads, "my state wishes Ukraine to be its fourth economic partner," because Kyrgyzstan "needs Ukrainian agricultural products that can be exchanged for ferrous metals, electric engineering products and fuel."

According to Akayev, a Ukrainian department of the Kyrgyz capital citys Slavonic University will be established soon. Akayev added there is no language problem in Kyrgyzstan because Russian has the status of a second official language for the 1 million Slavs residing in Kyrgyzstan.

National Affairs

Ukraine: Resolution Cuts Expenditures on Maintaining State Apparatus

WS2006124896 Kiev KHRESHCHATYK in Ukrainian
18 Jun 96 p 2

[Report attributed to the Ukrainian Cabinet of Ministers' press service: "State Expenditures on Maintaining the Apparatus Are Being Cut"]

[FBIS Translated Text] *In order to cut budget expenditures on maintaining the state apparatus, the Cabinet of Ministers has adopted a resolution specifying both the number of staff to be employed by ministries and other central and local bodies of the state executive power reporting to them, and the size of their wage fund. The same resolution also set limits on the number of official vehicles used by them.*

A limit on the number of staff of both ministers and other bodies of state executive power was set in accordance with a general 20-percent cut of the state supervision apparatus. Their 1996 wage fund was established proceeding from the costs envisaged by the Ukrainian state budget for maintaining the state apparatus in 1996.

The resolution charged ministries and other central bodies of the state executive power with both cutting the staff of the central state apparatus and of local bodies reporting to them within 14 days and setting a limit to their number and wage fund in line with the government resolution.

The structure of subdivisions of the central apparatus shall be revised and their functions shall be brought into conformity with the tasks of the modern stage of economic reform. Plans addressing the restructuring of the central apparatus shall be confirmed by the deputy prime minister according to the established division of functions.

The government resolution also cut the number of and set limits to personal official vehicles used by oblast, city, and rayon state administrations, their directorates, sections, and services.

All personal official vehicles which are being withdrawn according to established limits shall be subject to sale at market prices to enterprises and organizations to be used by them in both maintaining their production processes and rendering services to the people. Money obtained from the sale of surplus official vehicles shall be transferred into the state budget, and the Finance Ministry must be notified of this at once.

Based on this resolution, the Finance Ministry shall draft relevant proposals and submit them — within 14 days — to the Supreme Council Commission for Budgetary Issues for further consideration.

Ukraine: Seminar Discusses Army-Inflicted Environmental Damage

AU2006122896 Kiev HOLOS UKRAYINY
in Ukrainian 19 Jun 96 p 8

[Unattributed report on statements by Major General Lytvak, chief of Ukraine's Armed Forces Main Directorate for Radiation, Chemical, and Ecological Protection Troops: "The Army Is in Danger.... Environmental" — first sentence published in a box]

[FBIS Translated Text] The ecological safety of Ukraine's Armed Forces is deteriorating, stated Major General Lytvak, chief of Ukraine's Armed Forces Main Directorate for Radiation, Chemical, and Ecological Protection Troops, at the seminar "Environmental Aspects of Military Activity."

According to him, this tendency is felt particularly badly in those garrisons where airfields and bases are situated and in storage facilities for fuel and lubricants (Bila Tserkva, Zaporizhzhya, Lutsk, and Poltava). The petroleum products there get into subsurface waters and pose a real threat to the health of the military personnel and the populations of adjacent territories, the general stressed.

To this day, the Russian Defense Ministry has not handed over to Ukraine's Defense Ministry the maps showing where chemical weapons were buried near Ukrainian shores [bilya berehiv Ukrayiny], he also emphasized.

A total of almost 500 trillion karbovantsi [K] will be needed for implementing the Ministry of Defense's program for ecological provision of Ukraine's Armed Forces until the year 2000. For burying just the 12 metric tons of radioactive waste that is stored at Ukraine's Armed Forces' facilities, almost K5 billion will be necessary, reports INTERFAX-UKRAYINA.

Ukraine: Poll Reveals 'Alarming' Situation in Army

WS2006120096 Kiev ZERKALO NEDELI in Russian 15-21 Jun 96 pp 1,2

[Article by Oleksandra Mykolayeva: "Servicemen Say: He Who Has Not Been in the Army Has Lost, But He Who Has Been There Has Lost Twice"]

[FBIS Translated Text] The current situation in Ukrainian society can be described very briefly — as a "crisis." In these circumstances, competent experts believe, the executive authorities' inclination towards authoritarian methods of administration is becoming evident. As it is, power structures are the foundation of any rigid model of power. There are currently approximately 1 million armed people in Ukraine [as published]. Around 400,000 of them serve in the Armed Forces. And it is clear that it is currently very important to analyze what the Ukrainian Army can represent for our society — a stabilizer of the situation or a detonator of conflicts.

With this aim, this past April the Ukrainian Center of Economic and Political Research [UCEPR] and the "Social Monitoring" center conducted an analytical and sociological poll concerning the reforms in the Ukrainian Armed Forces and the latter's current situation. During a roundtable held this week at the UNIAN offices, the results of the poll and a report were presented by Oleksandr Razumkov, chief of the UCEPR board of experts; Major General Vadim Hrechanynov, president of the "Atlantic Council of Europe" association; Valeriy Chalyy, director of the UCEPR international legal programs; and Oleksandr Yaremenko, chief of the "Social Monitoring" center of the National Institute of Strategic Research. In 14 regions of the country, 1,003 Ukrainian Armed Forces officers were polled anonymously and voluntarily. After analyzing the results of the poll, the conclusions drawn by the authors are more than alarming, and it is hard to say which conclusion is the most frightening.

Conclusion 1. Currently, the fragment of the Soviet Army which we call the Ukrainian Army cannot be considered a full-fledged armed forces and, according to UCEPR's assessments, it is unable to perform its primary task — to defend the Ukrainian state and its people.

Conclusion 2. The current level of social provision, military ideology, and combat preparedness of the Ukrainian Army is transforming it into a destabilizing force in society.

Let us begin with the second conclusion. Before trying to use the Army as a stabilizing factor, it would not hurt to clarify to what degree the state leaders enjoy authority among servicemen and to what degree the latter are ready to take part in settling domestic conflicts.

It proved that the prestige of the president and the defense minister is low among troops. Expressing their attitude toward the supreme commander in chief (the president), every second officer described it as negative, and every third respondent — as absolutely negative. Approximately two thirds of officers negatively assessed the defense minister.

Considering the defense of Ukraine and its territorial integrity important and very important, officers nonetheless do not at all identify the state with its leadership. And as few as every third respondent considers the defense of the president, the parliament, and the government against external threats to be an important function of the Armed Forces. Incidentally, as for domestic threats, the majority of officers consider it to be inadmissible to use the Army to neutralize social conflicts, mass riots, and other crisis phenomena. Here, it would not be useless to mention that as a matter of fact, Article 18 of the draft of the new constitution legalizes such use. Judge for yourselves: "The people and every citizen have the right to resist anyone who attempts to liquidate the Ukrainian state, constitutional order... or conducts actions aimed at seizing state power..." The UCEPR experts deem this norm dangerous and suggest removing it. After all, in case of any conflict — for example, between the president and the Supreme Council — citizens in uniform, too, may be dispatched to the parliament or the [presidential] administration buildings.

The state leadership should also be alarmed by the fact that its foreign policy does not fall in line with the orientation of the officer corps. Thirty-seven percent of those polled are not against establishing a Russian-Ukrainian-Belarusian bloc and supporting integration among the Slavic states of the CIS. As few as 12 percent of them are oriented toward NATO, 8 percent toward the Tashkent Pact, and 41 percent support Ukraine's nonaligned status. Most officers do not want to participate in peacekeeping operations under the auspices of either NATO or Russia. However, 66 percent of officers accept peacekeeping under the UN mandate.

The results of an analysis of the moral and psychological situation in the Army, which the UCEPR experts assess as explosive, are particularly alarming.

This is primarily connected with the fact that over the last few years the status of a serviceman has been brought down from elite to beggarly. Currently, as few as every fourth regular serviceman is satisfied with his service. The difficult material situation of servicemen drives them to the shadow economy. According to the results of the poll, up to two thirds of the officer corps "eke out their livelihood." Some servicemen are even involved in criminal activities. Seventy percent of the polled officers believe that the uncontrolled sellout of military property and weapons is one of the most serious problems of the Armed Forces.

Pessimistic moods are on the rise in the Army. According to the poll, every third officer would not select their profession again. The Army is facing a real threat of losing qualified personnel.

This situation, the experts attest, is characteristic only of the armies of poorly developed countries, and provides grounds to doubt that the Ukrainian Army is operating normally.

The poll showed that as few as 4 percent of officers think that the Army is currently able to fully perform its main function, and 57 percent are convinced that the Armed Forces are unable to defend their people.

Thus, the scenarios according to which officers are taught to fight global wars at the Ukrainian Academy of Armed Forces look ridiculous. Sitting in classes, our servicemen are currently rehearsing a situation in which a coalition of western and southern states comprising 50 divisions attacks Ukraine, and the latter counters it alone and employs 30 divisions. All of this is taking place in a situation in which, according to the experts, we are unable to put a single regiment on combat alert in sufficient time.

For some reason, the Ukrainian fantasists from the Armed Forces have failed to consider that the hostile coalition which they depicted would not be possible without the participation of the United States. So are we trying to measure our strength along with the United States? To return the authors of the fantastic scenarios back to earth, we will only cite a few figures. The United States earmarks $1,215 per capita for military needs, and Ukraine $11. Our country spends $600 million on the Army annually, while in the United States around $1 billion is earmarked for the maintenance of one aircraft carrier alone.

While rehearsing military operations, the Armed Forces leaders have not taken into account the current military, economic, political, and technological realities in Ukraine. As for technology, there are currently 21 nuclear reactors and 572 chemical plants in Ukraine. This automatically transforms separate combat actions on our territory into warfare using nuclear arms and other weapons of mass destruction, which would become a disaster for the entire European continent.

The UCEPR concluded that there is no purposeful reform in the Ukrainian Army, and its nearly uncontrollable reduction is continuing. The opinion of 74.4 percent of the polled officers is identical. Moreover, despite a widespread conviction to the contrary, the reductions in the Army are not making more money available, but just the contrary, they require additional expenditures. According to the Russian Defense Ministry's estimates, $150 million is required to release 100,000 servicemen.

The lack of reform in the Army, its poor combat readiness and low professional level of higher command personnel, as well as the dangerous moral and psychological situation allowed the authors of the research to draw the following conclusions:

— The Ukrainian Army does not represent full-fledged armed forces which are able to perform their primary task;
— reforms are not being conducted in the Army, and a foundation for the establishment of qualitatively new armed forces is not being laid;
— stereotypes from the past prevail among the state and military leadership with regard to military policy, which to a considerable extent is preventing the development of a fundamentally new military doctrine;
— a tendency to lag behind modern armies in terms of the level of weapons and professional training is growing in the Ukrainian Armed Forces;
— there are already grounds to believe that the Ukrainian Armed Forces are hardly manageable, and are not ready for combat;
— negative tendencies deforming servicemen's awareness and the personnel's combat spirit are on the rise;
— the social protection of servicemen does not withstand any criticism;
— the Army is transforming from a stabilizing factor into a potentially destabilizing force in society.

Taking into account the above conclusions, the UCEPR experts believe that the leadership of both the country and the Army must implement the following:

1) To take immediate measures aimed at normalizing the situation in the Army and stopping its disintegration and degradation.

2) To develop and operatively implement a state program for reforming the Armed Forces and a new concept of Ukraine's national security.

In the opinion of the UCEPR experts, the draft of the aforementioned program, which has been submitted by the Defense Ministry, will not make it possible to effectively reform the Army and may even lead to deterioration of the current situation because it is not based on reliable economic, political, and organizational provisions.

As for the urgent measures, the authors of the analytical report are convinced that the state cannot forever take advantage of Ukrainian servicemen's patience and sense of duty, dooming them to inaction or even poverty. The Army should immediately receive at least everything that was envisioned for it in the budget. Otherwise, the cost, and not only material, may be dangerously high. Officers strikes and accidents at military facilities are evidently the kind of events Ukraine and its leadership desire most.

Ukraine: Crimean Speaker Comments on Meeting With Kuchma

*LD2006212196 Moscow INTERFAX in English
1806 GMT 20 Jun 96*

[FBIS Trancribed Text]1 Kiev, June 20 (Interfax - Ukraine) — In the course of their meeting in Kiev today, Ukrainian President Leonid Kuchma and Crimean Supreme Council Chairman Evhen Suprunyuk discussed the chapter of Ukraine's draft Constitution dealing with Crimea, and issues involved in bringing some provisions of the Crimean Constitution in line with the Fundamental Law of Ukraine.

Speaking in "IF-U" interview upon completion of the meeting, the Crimean Parliament Speaker expressed "satisfaction" with its returns.

According to E.Suprunyuk, the Ukrainian President has confirmed his stand on the autonomy's rights. "He insists that the autonomy's powers be not limited, and is doing his best to seal them in the Constitution of Ukraine", E.Suprunyuk said.

He added that on Tuesday, Crimean representatives met with members of the Ukrainian parliamentary ad hoc committee for drafting the Fundamental Law, and set forth their remarks and proposals.

E. Suprunyuk recalled that the draft law has no reference to the autonomy's Constitution. "The ad hoc committee has not yet taken into account our proposals", E. Suprunyuk said, and expressed confidence that "by joint effort of the major part of people's deputies, and with the President's support, all the outstanding issues will be resolved".

Speaking about the process of putting amendments into the Constitution of Crimea (adopted on November 1, 1995, and endorsed by the Ukrainian Parliament on April 4, 1996, with the exception of some articles, "IF-U" note) recommended by Verkhovna Rada, E. Suprunyuk said that "it is underway". "The main thing for us now is that the Ukrainian Constitution had a chapter on Crimea, and we, on our part, will meet our commitments to Kiev", he underscored.

The meeting has also covered issues pertaining to the accommodation of once deported peoples coming back in Crimea, the implementation of the Ukrainian Cabinet resolutions on funding those efforts, a simplification of the procedure for granting citizenship to those people, and the situation in the autonomy's resort and agricultural fields.

Ukraine: Crimean Groups Demand Autonomy, Threaten Civil Disobedience

*LD2006160496 Kiev UNIAR in Ukrainian
1150 GMT 20 Jun 96*

[FBIS Translated Text] Simferopol (UNIAR) — "The Autonomous Republic of Crimea was restored on the strength of the Crimean people's will and the results of the all-Crimea referendum of 20 January 1991. The desire to deprive Crimea of its constitution means that a national-unitary state is being built in Ukraine, where national minorities are stripped of their human and civil rights," says a statement issues by a number of political parties and organizations in Crimea in connection with the Ukrainian constitutional process. "The inconsistency and unreliability of Ukrainian President Leonid Kuchma as regards his promises concerning federalism, bilingualism, and more economic rights for Crimea, which he gave to the people of Crimea during his presidential election, evoke surprise and do not contribute to the consolidation of society."

Representatives of economic parties, trade unions, and public organizations in Crimea, as well as regional organizations of all-Ukraine parties and trade unions, declare that "no-one can deprive us of the right to be part of the multiethnic people of Ukraine, rather than a narrow ethnic subject called 'the Ukrainian people;' the right to use Russian as the second official language; to have our own constitution; our own legislative body — the Supreme Council of Crimea; to use the natural resources of Crimea independently; to have our own state symbols and territorial integrity, with Sevastopol being part of Crimea."

The authors of the appeal demand that the above rights of the Crimean people be fixed in the Ukrainian Constitution. If these demands are ignored, the authors of the document "reserve the right to block the adoption of the antipopular constitution of Crimea-Ukraine by all legal means and actions of civil disobedience. We draw the attention of the world public to the violation of the ethnic, economic, political, and territorial rights of the Crimean people."

The appeal was signed by the Civil Congress of Crimea party, the Party for the Economic Revival of Crimea, the Democratic Party of Crimea, the Crimean Party, the Crimean Party of Social Guarantees, the Constitutional Democratic Party of Crimea, the Republican Party of Crimea, the Association of Farmers of Crimea, and some other organizations.

Economic Issues

Ukraine: Kuchma: No Need To Get 'Panicky' About Harvest Situation

LD2006210696 Moscow INTERFAX in English 1712 GMT 20 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] There is no need to be panicky about the situation in the Ukrainian agriculture, President Leonid Kuchma said.

Agriculture becomes an important issue because of unfavorable weather, he told a special meeting of the Council of Regions, a body reporting to him.

The council decided that the Agriculture and Food Ministry had performed unsatisfactorily in organizing the sowing last fall and spring.

The council called on the government to provide the funds, appropriated in the 1996 national budget, for the support of the agriculture.

It also told the ministry and regional administrations to work out a joint plan of action to pay with grain the debt owed by the agriculture to the state and to speed up the repayment of budget credits for state contracts in 1994-95.

Mikhail Zubets, deputy prime minister in charge of agriculture, told Interfax that the harvest this summer will be about the same as last year.

The winter and spring crops are 60 to 65 percent in satisfactory or good shape, he said.

This summer's kind of weather has not been observed in most of the country for 20 years, Zubets said.

Ukraine: Commentary: IMF Rules 'Not Suitable' for Country's Economy

AU2106084496 Kiev HOLOS UKRAYINY in Ukrainian 19 Jun 96 p 3

[Commentary by Lyudmyla Fisyun: "Is It Worth Living According to Somebody Else's Rules? Even if They Have Been Set by the IMF...."]

[FBIS Translated Text] The question of whether Ukraine has gained from its cooperation with the IMF more than it has lost emerged long ago, but hardly anyone will venture to answer it unambiguously even now. Our relations with the IMF are at the level of a kind of contract rather than recommendations. The position is simple: There are certain procedures and requirements. If the country lives up to them, it gets the money....

The total volume of credits for Ukraine is small, several orders of magnitude less than for Russia. For example, this year, we have been promised $870 million. And the never-ending discussions are about one thing only: Whether this friendship is going to be advantageous for us or not. In other words, whether the credits will exceed those losses that we will sustain as a result of fulfilling the international recommendations....

There are different opinions, however, quite a number of specialists believe that we are losing more. The monetary indexes that we must keep to, as recommended by the IMF, and the monetary policy that we must pursue lead to an appreciable decline in production. Of course, the total decline is bigger than the credits may cover.... For if the talk of the beginning of an economic stabilization in Ukraine corresponds to reality, then why was the prime minister dismissed precisely at that time? Perhaps because the price of monetary stabilization is hundreds of trillions [currency not specified] of unpaid wages?

There probably exists yet another, quite banal, reason for the negative attitude toward the IMF on the part of our politicians. It is the lack of information: What, when, and how much, and what precisely the results are.... Any omission inevitably generates more gossip.

The IMF proper and the leaders of the National Bank are making their weighty "contribution" here. For even though, in fact, every important state decision, also including primarily financial and economic ones, must be adopted with the parliament's consent, the deputies are not even informed about them on time.

It is, therefore, logical that quite a number of the parliamentarians show a preference for the World Bank, because it always offers sensible recommendations and necessary information, invites them to various seminars, and helps in legislative matters. The World Bank works with the parliamentarians and they, in turn, work with it: This is the bank's official policy.

In the opinion of Viktor Suslov, head of the Parliamentary Commission for Issues of Finance and Banking Activity, we have a greater return from the World Bank than from the IMF. The credits of the former are mainly channeled for restructuring crucial branches of the Ukrainian economy. For example, the Supreme Council recently ratified the credit accord between Ukraine and the World Bank on granting $114 million for the rehabilitation of our hydroelectric power plants. It is most likely that yet another accord on the project for the development of the seed-growing branch will soon be ratified. For this, $32 million has been granted. An important project for restructuring the coal industry is also being prepared. By contrast, a characteristic feature of dealing with the IMF is that it promises a lot, but gives very little.

Because the IMF policy is different: It works with the government and with Ukraine's National Bank, and its recommendations go directly there and are implemented without much "ado."

Without the Supreme Council's consent, Former Prime Minister Yevhen Marchuk and Viktor Yushchenko, head of the board of Ukraine's National Bank, signed the Memorandum on Ukraine's Economic Policy for 1996 that had been coordinated with the IMF. Although this time (for the first time in recent two years!), at the persistent demand of the Parliamentary Commission for Issues of Finance and Banking Activity, people's deputies were shown the document....

The memorandum contains the main parameters of the policy regarding finance and credits and the most significant indexes for 1996 that are under the IMF control. However, it will hardly serve as a soothing medication. In accordance with the document, for example, the tax rates on land will soon go up and the excise duty and the value-added tax will soon be revised; through an administrative increase of prices of communal services and electricity, "it is expected to reduce inflation to approximately 1-2 percent a month"; subsidies for renting apartments, communal services, and coal and gas for the population will continue to be cut, as well as subsidies for transport services through a corresponding amendment of prices; by 1 July 1996, the coefficient of compensation for the prices of these commodities and services will be raised to 80 percent, and by the beginning of 1997, all subsidies will be discontinued; "efforts will be made to restructure the sphere of education and health protection," and so on....

Results and consequences of such a policy are known.

Besides, the memorandum itself does not claim the role of the highest instance. Its authors and inspirers promised the IMF... that they would revise it as early as in July and, for the second time, in September. It is, however, not known whether the deputies will be notified about this in time. Something else is in question: Will the forthcoming changes or amendments to the memorandum not lead to yet another spiral of "double-entry bookkeeping" in which the IMF will enjoy certain results different from those the Ukrainian people will get?

This question remains to be answered: Is it possible, in relations with the IMF, to achieve that golden mean where it will be possible to run with the hare and hunt with the hounds? If not, then where is the way out?

Some eastern European countries have already turned down IMF services. When they realized that it may be cheaper to emerge from the crisis relying upon one's own forces, rather than upon foreign credits that will have to be returned with accumulated interest. Serbia [as published] and the Czech Republic attained success after precisely that.

Whatever one might say, the IMF rules are not precisely suitable for us. The sooner we realize this the better....

Belarus

Belarus: Lukashenka Plans Referendum on Land, NATO Expansion

LD2006155296 Moscow INTERFAX in English 1259 GMT 20 Jun 96

[FBIS Transcribed Text] MINSK, June 20 — Belarusian President Alyaksandr Lukashenka has declared he plans a referendum on a wide range of crucial issues.

"The time has come to ask the people what they think about the private ownership of land and the possibility of NATO's expansion to the East," President Lukashenka told a conference of the chiefs of local administrations in Minsk on Thursday.

He did not specify, though, when the referendum might take place.

Lukashenka said the people would be asked to determine their attitude to the heads of local administrations. The returns from the referendum would directly influence the further career of local executive authorities.

Lukashenka criticized the current parliament for the lack of initiative and of specific results.

"It's more than a year since Belarus's first referendum, however, its results have not been reflected in the Belarusian legislation to this day," Lukashenka said.

In the May 1995 plebiscite most Belarusians voted for Lukashenka's policy of integration with Russia. The people voted to declare Russian an official language alongside Belarusian, to empower the president to disband parliament and to change the Belarusian state emblem and flag.

Lukashenka said that as of July 1 not a single member of parliament or civil servant would be allowed to go abroad on an assignment without an appropriate authorization.

Lukashenka says that individual trips abroad by government officials were as a rule unproductive or sightseeing tours.

Belarus: President Criticizes Parliament for Inaction

LD2006205496 Moscow INTERFAX in English 1712 GMT 20 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Addressing local administrators today, President Alyaksandr Lukashenka voiced his intention to hold a referendum on a wide range of issues, so pressing for the country.

"It is high time to ask people's advice on the private ownership of land and on the prospects of NATO's expansion to the east," president said.

According to him, people should be asked what they think about local governors. Such an assessment of the governors' activities will have a direct impact on their future careers, Lukashenka said, noting that through the plebiscite he intends to amend some constitutional clauses "in a bid to rule out their double meaning." The imperfect wording of the republican constitution led to the parliamentary crisis that lasted for about eight months, president recalled.

However, head of state did not say when he was going to hold the referendum.

He criticized parliament for the lack of initiative and fruitless work.

"More than a year has passed since the first national referendum in Belarus, but its results have never found expression in republican legislation," Lukashenka stressed. IF Note: During the plebiscite in May 1995, the majority of the population supported the presidential course toward integration with Russia. People spoke in favour of making Russian an official state language, equal to Belarussian. Citizens also voted for empowering the president to dissolve parliament and change Belarusian emblem and flag.

Over six months of its activity, parliament has passed just one bill, a bill on this year's budget, Lukashenka emphasized, noting, however, that deputies only endorsed this document last month. "For four months, the president had to manage the budget on its own," Lukashenko said.

He reproached the parliament's leadership for its failure to attend the conference with local administrators, even though the parliament leaders had been formally invited to the gathering.

President announced that as of July 1 not a single lawmaker or government official will be allowed to leave on a business trip "without authorities permission." Instead of business, government officials have travelled abroad for pleasure far too often, Lukashenka said.

He also voiced his intention to nationalize all sports facilities that used to be national property but have subsequently been transferred to commercial structures to be refurbished into warehouses, shops, and eating places.

"Cars will not be sold in swimming pools any longer," Lukashenka said, stressing the need to use sports and health centers for the purposes they are intended.

President called on governors "to pay as much attention as possible to junior sports.,"

Belarus had about 1.5 million schoolchildren in 1994-1995. According to statistics cited by Lukashenka, only 13 percent of this number were healthy. In his opinion, the situation can be changed, if stadiums and playing grounds are put within the reach of as many children as possible.

Lukashenka declared that he will soon put things in order in republican tourist firms and travel agencies by introducing licences for their business. "If tourist firms earlier worked well and properly paid taxes, they should not worry about their future," Lukashenko said, warning that those who have used tourist firms to launder money and who have evaded taxes will not be licensed for tourism.

President also deems it necessary to certify all types of tourist services.

He suggested that a single sports and tourism ministry be formed. By his prediction, even next year it will be able to finance national sports development by its revenues.

Belarus: Lukashenka Vows To Control Hard Currency Exchange Rate

WS2106113196 Minsk Radio Minsk Network in Belarusian 0400 GMT 21 Jun 96

[Report by Yawhen Myaleshka and Aleh Mikhalevich]

[FBIS Translated Excerpt] The conference [of local leaders on the development of the sociocultural sphere held in Minsk on 20 June] was attended by Belarusian President Alyaksandr Lukashenka, Prime Minister Mikhail Chyhir, Presidential Administration Chief Mikhail Myasnikovich, Security Council State Secretary Viktar Sheyman, deputy prime ministers, Presidential Administration deputy chiefs, and chiefs of ministries and departments.

Alyaksandr Lukashenka opened the conference with a speech. He said that despite certain progress, the Republic's economy is overcoming the crisis sluggishly. This cannot but affect the situation in the social sphere. As it is, social issues are tightly interweaved with economic ones, and they currently remain the center of our entire life. As Alyaksandr Ryhoravich noted, the issue of wages remains the cornerstone of social policy. The situation in the budget sector is particularly alarming. Everybody understands that wages of health care, education, and culture employees totally depend on the efficiency of production and the collection of taxes. At the same time, there is a tendency to groundlessly differentiate wages among branches, enterprises, and groups of qualified workers. This is why order should be ensured in this area. [passage omitted]

Following Alyaksandr Lukashenka's speech, the participants in the conference began working in groups. Those who listened to our relay from yesterday certainly noticed that many everyday and specific issues were raised by specialists in the sociocultural sphere.

Following their speeches and a debate on the results of their work, the Republic's president again took the floor. The "Radio Fakt" program offers our radio listeners excerpts of his concluding speech.

[Begin Lukashenka recording in Russian] Everything that was said during the meetings in groups will be generalized by the government — by our deputy prime minister — and the government will implement everything which can be implemented. I think that issues that we currently cannot implement, or cannot implement at the same time, were not addressed in your speeches. [passage omitted]

The last speaker and others indirectly addressed problems concerning our national currency. I should say that an appropriate presidential edict will be signed in the immediate future. We defined the national currency's exchange rate for the first half of the year, as well. However, this information has already been published by the media, and the president has held a briefing. The only thing that I can say is that those who were vigorously purchasing hard currency at the end of the second quarter and in the first half of the year will not achieve the expected results. The national currency will not be devalued against the dollar as much as many people expected. It has taken us much effort to stabilize the situation on the market and to reduce monthly inflation from 38-40 percent to 1-1.5 percent. If we currently proceed along the path of landslide devaluation of the national currency, as certain representatives of our market structures suggest, prices will skyrocket. I think that nobody is currently willing to go for this, and people should know that the national currency should be stable. They should understand that money does not come from nothing, and if it does, this very bad: It is empty, printed money. Money should be earned. I think that the dollar is already expensive, and that even 13,500 rubles for $1 is too much. Therefore, do not expect that the Belarusian ruble's exchange rate against the dollar will be 15,000 or 17,000 tomorrow. I am telling you, with all my responsibility, that this will not take place in the foreseeable future, or even will not take place at all. [passage omitted] [end recording]

Belarus: Justice Minister: Lukashenka 'Exceeding His Authority'

WS2106081296 Minsk BELAPAN in English
0706 GMT 21 Jun 96

[FBIS Transcribed Text] Minsk, 20 June — Valyantsin Sukala, Belarusian Minister of Justice, made a report titled "Norm-making in the Sphere of Executive Power in a Law-ruled State" at a session of the Scientific Club of Systemic and Interdisciplinary Research at the Belarusian Academy of Sciences. The greater part of this report concerned norm-making by the President who combines the functions of executive power chief and head of state.

In Mr Sukala's opinion, the executive power is inevitably getting strengthened hypertrophied because of this combination [sentence as received]. The President as Chief Executive, takes the place of the Prime Minister and the Cabinet of Ministers as a whole. "In fact, the Cabinet of Ministers loses its face, meaning and sense," Mr Sukala noted. That is why the Ministry of Justice suggests that the Constitution should be changed radically to reduce the President's authority to that of Chief of State. For the present, according to Mr Sukala, heading of the executive power the President is constantly exceeding his authority. This is a distinguishing feature of his norm-making. In this respect Mr Sukala cited the example of the President's decrees on the regulation of banking and economic entities' activities, which "exceed the limits of executive authority, and many provisions in them run counter to legislation currently in force." In Mr Sukala's opinion, some ministers and department heads "betray the President's confidence", asking him to sign decrees which are not submitted for consideration by lawyers. "I had endorsed no one of the decrees that were found unconstitutional by the Constitutional Court," Mr Sukala said.

Answering the question about the degree of the participation of the Belarusian Ministry of Justice in the drafting of the Belarusian-Russian Treaty on a Community, the minister said that he, Mikhail Myasnikovich, Chief of the Presidential Administration and Valeryy Tsapkala, First Deputy Foreign Minister, actively participated in the correction of the draft Treaty in Moscow. In this respect Mr Sukala said that he was surprised at the pressure exerted by the Russian party which constantly proposed new versions when the Belarusian party did not agree to accept anything. According to Mr Sukala, initial versions of the Treaty "ran counter to our Constitution and our sovereignty." The minister holds that after all corrections and amendments the Treaty was brought into line with the Belarusian Constitution. In Mr Sukala's opinion, this document is "a protocol of intentions, a declaration, rather than a treaty."

Belarus: Constitutional Court Chairman on 'Information Blockade'

WS2106092596 Minsk BELAPAN in English
0706 GMT 21 Jun 96

[FBIS Transcribed Text] Minsk, 20 June — Speaking at a news conference on the results of a visit of the Constitutional Court's delegation to France, Valeryy Tsikhinya, Chairman of the Constitutional Court, dwelt on President Alyaksandr Lukashenka's proposals for reforming Constitutional control in Belarus. He defined them as "untenable from a legal viewpoint." In his opinion, the proposals are aimed not at the "strengthening of the role and significance of the Constitutional Court (as stated in the substantiating supplement signed by the chief of the Presidential Administration, Mikhail Myasnikovich), but, quite the contrary, at the depreciation of this role to make the Court a 'puppet'."

Mr Tsikhinya also informed the reporters that before his leaving for France the Constitutional Court had submitted proposals for the improvement of Belarusian legislation to the Supreme Soviet. The Constitutional Court in particular suggested that "a provisional moratorium on alterations into the Constitution should be imposed, for approximately 2-3 years." The Constitutional Court chairman condemned the "information blockade" shown by the State Radio and Television Company which tries to hush up the Court's judgements.

Belarus: Businessman: 'Total War' Being Waged Against Enterprise

WS2106092496 Minsk BELAPAN in English
0706 GMT 21 Jun 96

[FBIS Transcribed Text] Minsk, 20 June — "A total and systematic war is being waged against enterprise in the Republic," Professor Alyaksandr Patupa, Vice-president of the Belarusian Union of Entrepreneurs, said during his recent news conference.

According to him, "all possible and accessible means" are used in this war. Defining the authorities' policy as "planned devastation of entrepreneurs" Mr Patupa warned that in crisis situations "an entrepreneur does not behave like a 18-year-old student who cries 'Help!' when attacked with a baton." Mr Patupa did not specify the behaviour of Belarusian businessmen in such situations.

Mr Patupa backed his statements about numerous anti-enterprise actions of the authorities by the example of two telegrams sent out by President Alyaksandr

Lukashenka, dated from February 6 and March 22, which suspended the registration of economic entities. Incidentally it has not yet resumed. "Even organised crime is not able to cause such damages to the country as the virtual liquidation of some 50,000 jobs as a result of those telegrams," Mr Patupa said. The most sad thing, according to him, is that it is impossible to fight against because a telegram is not a presidential decree which could be appealed against by the Constitutional Court.

Belarus: Government Urged To Respect Workers' Rights

WS2106092396 Minsk BELAPAN in English 0706 GMT 21 Jun 96

[FBIS Transcribed Text] Minsk, 20 June — The International Labour Organisation (ILO) has submitted a list of recommendations aimed at the normalisation of relations between trade unions and the authorities to the Belarusian government, Thomas Piose [spelling of name as received], Secretary of the Association of German Trade Unions, said. Mr Piose attended a seminar titled "Social Partnership in Belarus and Germany" which was held in Minsk from June 18-19.

The main idea of these recommendations is that Belarusian trade unions should be given the rights guaranteed by the ILO a member of which Belarus is. The ILO in particular recommends that the government should ensure the right of all categories of workers to go on strike to uphold their interests (at present some categories of workers in Belarus are not allowed to go on strikes); abandon the use of force in the settlement of labour conflicts, and arrests of participants of organised strikes; not enlist the service of strike-breakers; stop the discrimination of the workers who were sacked as a result of the strike at the Minsk Metro and reinstate them in their jobs; form an independent commission to investigate the reasons for the conflict at the Minsk Metro and punish the culprits; not impede the free foreign travelling of independent trade unions' members (such obstacles were put as regards leaders of the Belarusian Free Trade Union); and inform the ILO of the government's decisions on these points.

Mr Piose also said that the ILO had informed the International Monetary Fund and the World Bank about the Belarusian government's actions against trade unions in violation of human rights and liberties. "As for me, I do not like to participate in all this," Mr Piose said, "but we cannot tolerate an unlawful attitude towards workers in Central Europe." "If the Belarusian leadership implements the ILO recommendations and starts building a civilised state, we will abandon the pressure," he added. Otherwise the ILO intends to demand that international financial organisations impose sanctions on Belarus. In this respect Mr Piose referred to the European Parliament's demand to suspend the implementation of the Interim Trade Agreement between Belarus and the European Union. According to Mr Piose, the ILO has often come across such an attitude of the authorities towards independent trade unions. "As a rule such events occur in countries with dictatorial regimes," Mr Piose stressed.

Belarus: Parliament Urges Avoidance of 'Extremism' on 22 Jun

WS2106091796 Minsk BELAPAN in English 0706 GMT 21 Jun 96

[FBIS Transcribed Text] Minsk, June 20 — The Belarusian Supreme Soviet has made a statement addressed to the nation, political parties, movements and public organisations in the country, calling on them not to give way to confrontation and skirmishes between various public groups on June 22, the 55th anniversary of the Nazi invasion. "Under the present conditions the Supreme Soviet of the Republic of Belarus is doing everything possible to safeguard political stability, peace, order and conditions for the Belarusian people's creative work," the statement reads. "The Supreme Soviet urges all political parties, movements and organisations to display self-control and avoid displays of extremism and youth radicalism." The Supreme Soviet also calls upon the executive authorities and law enforcement bodies to act in strict accordance with the Constitution and laws and prevent violations of human rights and liberties.

Kazakhstan

Kazakhstan: Nazarbayev Flies to Switzerland For Economic Forum

LD2006100596 Moscow ITAR-TASS in English 0937 GMT 20 Jul 96

[By Vladimir Akimov]

[FBIS Transcribed Text] ALMATY, June 20 (Itar-Tass) — Kazakh President Nursultan Nazarbayev flew to Switzerland this morning to participate in an international forum on accelerated regional economic development, which will be held on June 21-23.

Participants in this traditional annual meeting — statesmen, members of the business community and representatives from influential international organisations — decided to devote one day of their deliberations to Kazakhstan.

A large-scale presentation of the state, occupying the world's ninth place in its territory, will be held under the motto "Open Kazakhstan for yourself".

Kazakhstan: Nazarbayev Sees Russian Leadership Reshuffle as 'Natural'

LD2106081696 Moscow ITAR-TASS in English 0547 GMT 21 Jun 96

[By Konstantin Pribytkov]

[FBIS Transcribed Text] CRANS-MONTANA, Switzerland, June 21 (Itar-Tass) — President Nursultan Nazarbayev of Kazakhstan is of the opinion that the latest personnel changes in the Russian leadership were not fortuitous but becames the natural consequence of the first round of the presidential elections.

"I think this was not a spontaneous thing," Nazarbayev has told Itar-Tass, emphasising that "the personnel changes are natural: the outcome of the first round of voting was to lead to some decisions."

"If this serves well the fight against crime in Russia and promotes the tightening of discipline and order, and not hinder the market and democratic reform processes, then I think this is normal. The President keeps a tight rein on these matters and decides on them," Nazarbayev said.

The Kazakh Head of State, who is attending an international economic forum here, said the news about the dismissal of a number of leading persons in Russia came when he was on his way to Switzerland.

Kazakhstan: Official Reports Growing Immigration

LD2006212396 Moscow ITAR-TASS World Service in Russian 1205 GMT 20 Jun 96

[By KAZTAG correspondent Serik Baytanayev for ITAR-TASS]

[FBIS Translated Text] Almaty, 20 Jun (ITAR-TASS) — Since the end of the 1980's, the number of people immigrating to Kazakhstan has been on the increase, Anatoliy Puzhay, head of the Kazakh office of UNHCR, said. About 122,000 people came back to Kazakhstan in 1991-1994, he said, adding that they were returning to their former places of residence. Less than one third of them are ethnics Kazakhs, the rest include Russians, Ukrainians, and a few Germans.

The scale of people's movement in the former Soviet Union is much greater this time than in the previous decades, Anatoliy Puzhay said. About 1.5-2 million people have fled, fearing ethnic cleansing and wars; approximately the same number represents people who were forced to move because of the latent violence, which took the form of increasing political and social restrictions, cross-cultural uneasiness, and who were worried about their own future and that of their children.

Kazakhstan: Bank Eases Restrictions on Foreign Banks

LD2006141796 Almaty EXPRESS in Russian 6 Jun 96 p 3

[Report: "By 1998 All Restrictions on the Activities of Foreign Banks Will be Lifted in Kazakhstan"]

[FBIS Translated Text] Many experts believe that the law "On Banks and Banking Activity in the Republic of Kazakhstan," which went into force on 6 September 1995, does not threaten foreign investment in Kazakh banking. Still, there are a number of restrictions on capital from foreign banks which will be lifted completely by 1998, Uraz Dzhandosov, chairman of the National Bank of Kazakhstan (NBK), said.

According to current legislation, the "total registered authorized capital of banks with foreign involvement cannot exceed 25 percent of the registered authorized capital of all banks of the Republic of Kazakhstan" taken together. But "the share of foreign capital in any one bank can amount to 100 percent," Grigoriy Marchenko, deputy chairman of the National Bank of Kazakhstan, said. The law classifies a bank with foreign capital as a "secondary bank, where nonresidents of Kazakhstan control or own 50 percent of its shares".

If we are to follow the letter of the law strictly, then there are only five banks with foreign capital in the republic. They are the Alfabank (Russia), the Neftekhimbank (Russia), the Bank of China, the Chinese Bank of Trade and Industry — which all have 100 percent foreign capital — and also the ABN AMRO Bank Kazakhstan (share of foreign capital - 71 percent). But there is another group of banks — the Teksakabank, the KZI, the Lariba, the Albaraka, the TKI (Turkish-Kazakh international bank) and the ATFB (Almaty Trade and Financial Bank) — which though classed as deposit banks according to the law, still have a large share of foreign capital and so are also classed as banks with foreign capital (see table 1).

The average rate of the dollar to the tenge on 1 January 1996 was $1 to 63.95 tenge.

It is forbidden in Kazakhstan to open branches of foreign banks, nor can nonresident banks open branches in the republic. Accordingly, the National Bank of Kazakhstan cannot encourage the opening of such branches. But then, Kazakh law allows the setting up of affiliated banks, joint banks, and representative offices.

There are five affiliated banks (see table 2), of which three are Russian — the Neftekhimbank, the Eurasia Bank, and Alfabank. In 1995, not a single affiliated bank was registered in Kazakhstan. Article 18 of the law stipulating the conditions for the setting up of affiliated banks by nonresident banks has established two serious barriers. First, only nonresident banks in Kazakhstan with a definite rating from one of the main rating agencies, determined by the National Bank along with their minimal rating, can be parent banks of affiliates. Second, the National Bank of Kazakhstan has the right to give a nonresident bank a license to open an affiliated bank only after this bank's representative office has worked for one year in the republic. But, in accordance with Paragraph 6 of Article 29 of the law, a representative office of a branch of a bank is a legal person and does not carry out banking operations.

Marchenko said that "if a bank registers documents correctly, then the National Bank does not put any obstacles in its way." The fact that "Russian banks have had great difficulty over the past eighteen months or so, first in registering documents and second in getting a license to export capital," is another matter, the deputy chairman noted. The latter, Marchenko added "is related to the [presidential] election campaign: banks are simply not allowed to export capital from the country, according to unofficial reports from representatives of Russian banks."

The law also envisages the use of capital from foreign banks to set up interstate banks for investment of state money by two or more countries. There is such a bank in Kazakhstan; it is the CADB (Central Asian Development Bank), which was founded by Kazakhstan, Uzbekistan, and Kyrgyzstan with registered authorized capital of 209.430 billion tenge (real figure: 207.5 billion tenge).

A total of nine representative offices of foreign banks have been registered in Kazakhstan to date (see table 3).

A representative office of the State Bank of Pakistan is now being registered.

Grigoriy Marchenko says that whereas Kazakhstan has a "sufficiently liberal law for foreign banks, the law also offers one regime for all banks." Our law does not envisage tax privileges for banks with foreign capital. "We do not believe that foreign investors in the banking system should have any 'privileges'," the deputy chairman of the National Bank of Kazakhstan believes. The same goes for minimum rates of authorized capital. The norms are the same for all banks: 200 million tenge for deposit banks and 300 million tenge for investment banks. True, Marchenko added, to encourage the setting up of investment banks, a single standard — 200 million tenge — will be applied until the end of 1996.

The share of foreign capital in the total authorized capital of banks stood at 12 percent on 1 January 1995 and at 15 percent on 1 January 1996, an insignificant change. Banks with foreign capital did not close in 1995, and there are 13 of them in the republic. A total of 131 banks were registered in Kazakhstan by 1 January 1996.

As for the National Bank of Kazakhstan's general policy in relation to banks with foreign involvement, Marchenko said: "We have not set ourselves the task of luring foreign banks. Our banks can deal with the bulk of the basic banking services." In addition, "our market is attractive enough for them" without privileges.

Table 1

Name	Date of Foundation	Registered auth. cap.	Real author. cap.
1. TKI (Turkish-Kazakh International Bank) Vorms bank (Turkey), Emlak bank (Turkey), Emlak Pazarlama firm (Turkey)	13 Jan 93	56,820	97,200
2. Almaty Trade and Finance bank XX50 "Moss Pierson" (Netherlands), ATOS finance corporation A.C. (Luxembourg)	29 Nov 95	110,000	110,000
3. ABN AMRO Bank Kazakhstan ABN AMRO (Netherlands), World Bank, Kazkommertsbank (Kazakhstan)	14 Jan 94	597,000	603,500
4. Tekstilbank 46% foreign participation: California finance International (USA), Finintex (USA); Greg Studer; Fred Whitaker	1 Jul 93	94,500	94,500
5. KZI (Kazkommerts Ziraatinternationalbank) - 50x50: T.C.Ziraat Bankasi (Turkey), "Basbak Sigorta" A.S. (Turkey) Kazkommertsbank (Kazakhstan)	11 Jan 93	72,000	72,000
6. Laribabank - 50x50 (Kazakh-American Finance House-Lariba)	20 Jan 92	100,000	100,000
7. Al-Baraka (MDMT Groupe Inc. (Canada), Lukoil-Kazakhstan, International trade house "Karkara" (Kazakhstan), Kazakhstan republican association for UN assistance	25 Feb 91	188	188

Table 2

Name	Date of Foundation	Registered author. cap.	Real author. cap.
1. TIBC (Trade and industrial bank of China)	3 Mar 93	199,400	324,000
2. Bank of China	19 Apr 93	139,588	259,682
3. Neftekhimbank (Russia's Neftekhimbank)	1 Apr 94	90,772	90,772
4. Alfabank (Russia)	9 Dec 94	80,115	80,640
5. Eurasian (Russia's Zalogbank)	26 Dec 94	95,600	95,598

Table 3

Name	Foundation date
1. Deutsche Bank AG, Frankfurt, Germany	26 Apr 1993
2. Dresdner Bank AG, Frankfurt, Germany	1 Nov 1993
3. Hungarian bank for foreign trade; joint-stock, Hungary, Budapest	12 Nov 1993
4. Commercial bank Privat, Ukraine, Dnepropetrovsk	11 Jul 1994
5. Citibank N.A., New York, USA	22 Jun 1995
6. IBB (International business bank), Western Samoa	1995
7. Commerzbank, Germany	
8. Societe Generale, France	
9. Tversuniversalbank, Russia	

Tajikistan

Tajikistan: UN Envoy Cited on Inter-Tajik Dialogue Prospects

MM2006154996 Moscow KRASNAYA ZVEZDA in Russian 20 Jun 96 p 3

[Report by Vitaliy Strugovets: "Last Attack. 'Irreconcilables' Concentrated Along Tajik-Afghan Border"]

[FBIS Translated Text] According to information from military sources in Dushanbe, localized positional battles are continuing in the Tajik region of the Pamir mountains. They are concentrated in the Kalay-Khuseyn and Tavildarin sectors. Hence observers have now switched the focus of their attention once again to the Tajik-Afghan border where recently, judging by a statement by the Russian Federal Border Service's news agency, the gunmen of the irreconcilable Tajik opposition have noticeably stepped up their activity in the Badakhshan sector. The opposition sees this area, for which the Khorog Border Detachment is responsible, as the most promising for the purposes of a breach of the border from Afghanistan into Tajikistan by armed groups. The gunmen are also actively equipping their gun positions opposite the sectors of a number of border detachments and taking other measures to prepare for armed actions against Russian border guards. Diversionary attacks could be launched on the sectors guarded by the Moscow and Pyandzh border guard detachments.

Colonel General Aleksandr Tymko, first deputy director of the Russian Federal Border Service and chief of the Border Guard Troops Main Staff, who returned from Tajikistan a few days ago, stated that this would be the last attempt at a large-scale breach of the border by Tajik opposition gunmen, because the gunmen's military and technical potential and manpower resources cannot be unlimited. Military and political forces in a number of Arab countries cannot finance the Islamic fundamentalists indefinitely. The opposition's detachments are mainly composed of refugees located in Afghanistan, but their numbers are not that great and the refugees are increasingly returning home to Tajikistan.

As for continuing the inter-Tajik dialogue, Gerd Merrem [name as transliterated], the UN secretary general's special envoy, noted that talks can be continued in a constructive form only after a cease-fire. The most important thing right now in the inter-Tajik conflict is to achieve a complete cessation of combat operations, he stated. At the same time, Gerd Merrem evaded a question about the United Nations' proposals for the agenda, and in particular for the formation of a coalition government. "Our task is to help the sides settle the internal inter-Tajik conflict," the special envoy stressed. Gerd Merrem reacted with approval to official Dushanbe's announcement of guarantees of safety for members of the joint conciliation commission charged with ensuring the observance of the Teheran cease-fire agreement both within the republic and on the Tajik-Afghan border. He expressed hope that the commission would soon resume its work after a four-month interval. And the next round of talks, according to Gerd Merrem, could probably begin in the first half of July.

Tajikistan: President Meets Russian Envoy Before Talks

LD2006203896 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 20 Jun 96

[FBIS Translated Excerpt] Tajik President Emomali Rakhmanov today received the plenipotentiary representative of the Russian president to Tajikistan, Yevgeniy Nikolayevich Mikhaylov. The state adviser to the president, Karim Yuldoshev, and the president's press secretary, Zafar Saidov, and from the Russian side, the Russian ambassador to Tajikistan, Mechislav Senkevich, and representatives of the Central Asia department of the Russian Foreign Ministry, Maksim Peshkov and Adzhiahmad Shekunov, took part in the meeting.

Talking about the meeting and its results, Yevgeniy Mikhaylov told our correspondent the following:

[Begin Mikhaylov recording] Today we discussed matters of interest to both sides, Moscow and Dushanbe, and issues relating to interaction and to the development of steps for our further cooperation to settle our main problem: achieving peace in Tajikistan.

Here we are proceeding on the basis that Russia and Tajikistan are maintaining ancient cultural, economic, and other ties. It is possible for us to establish peace in Dushanbe. That is why the main mission for me, as the plenipotentiary representative of Russian President Boris Yeltsin in this matter, is to coordinate, extend, and direct the (?Tajiks) in any [word indistinct] results of questions in the political, economic, humanitarian, and social fields to achieve peace. [passage omitted]

We proceeded on the basis that the negotiations should resume, as we proposed, at the beginning of July. We are working on the assumption that the negotiations will be held in Ashgabat, and this has been done by common agreement. We are operating on the basis that Russia is a speaking observer [Russian: ustnyy nablyudatel], rather than the other observers attending the negotiations. We talked about how to accelerate this process.

A lot of things are becoming clear. Undoubtedly, it is possible to find a point of contact in these negotiations.

A lot of questions have accumulated. The current problems are evidence of these.

Our task is to ensure that the negotiations make progress and that the sides reach mutually beneficial agreements. [passage omitted] [end recording]

Tajikistan: Rakhmanov Reiterates Commitment to Peace Settlement

LD2006144596 Moscow INTERFAX in English 1348 GMT 20 Jun 96

[FBIS Transcribed Text] DUSHANBE, June 20 (Interfax) — The Tajik leadership is firmly committed to solve all problems in and around the republic by exclusively peaceful means, Tajik President Emomali Rakhmanov told Russian presidential envoy Yevgeniy Mikhaylov in Tajikistan's capital Dushanbe Thursday.

Rakhmanov showed interest in the immediate resumption and successful accomplishment of peace talks with the opposition in order to achieve concrete results in the name of establishing peace and accord in Tajikistan. The next round of peace talks is scheduled to start in early July in the Turkmen capital of Ashgabat.

Both sides showed satisfaction about the recent statement by the chairman of the U.N. Security Council who highly praised the Tajik government initiative to extend the 1994 provisional ceasefire agreement for the entire term of negotiations.

Rakhmanov reiterated his readiness to meet with opposition leader Said Abdullo Nuri to sign an agreement on comprehensive settlement without any conditions.

Such a meeting, talks and signing ceremony could be held in Moscow, Rakhmanov suggested.

Tajikistan: President Ready To Meet Opposition Leader

LD2006103896 Moscow ITAR-TASS in English 1016 GMT 20 Jun 96

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, June 20 (Itar-Tass) — "Tajik President Emomali Rakhmanov is ready to again meet leader of the joint Tajik opposition Said Abdullo Nouri in order to settle some fundamental problems and to put an end to the intra-Tajik conflict by peaceful means. This initiative does not rule out the parallel intra-Tajik negotiations that are expected to be resumed at Ashkhabad early in July," Presidential Press Secretary Zafar Saidov told journalists after Emomali Rakhmanov's meeting with Plenipotentiary Representative of the Russian President Yevgeny Mikhailov here today.

According to Saidov, the meeting with Nouri could be held either in Moscow or in some other place if the Russian capital does not suit the opposition. "The President of Tajikistan plans to table at this meeting a proposal to extend the temporary ceasefire agreement to the entire period of the negotiations," Saidov stated.

Uzbekistan

Uzbekistan: Karimov Sees EU Deal As Recognition of Reforms

LD2006210296 Moscow INTERFAX in English 1712 GMT 20 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Islam Karimov leads a high power delegation flying out to Italy on Thursday.

Speaking at Tashkent airport, Karimov said the cooperation agreement the European Union and Uzbekistan will sign in Florence will lay a legal framework for bilateral relations. He said the deal will open wider opportunities for economic, trade, technological and cultural links and political dialogue between Uzbekistan and EU member states.

Karimov said that given the high standards of democracy and market relations EU sets for would be partners, the latest deal could be seen as a recognition of a success of Uzbekistan's economic and political reforms. IF Note: The two sides established diplomatic relations with each other in autumn 1994 and Tashkent set up its own mission in Brussels a year later. The republic joined the European Energy Charter and signed a textile agreement with the European Union.

On his scheduled visit to the United States, Karimov said he had a crowded agenda including talks with President Bill Clinton on June 25 and meetings with US officials and representatives of the business world.

Uzbekistan: Japanese Firm To Moderanize Oil Refinery

LD2006205296 Tashkent PRAVDA VOSTOKA in Russian 18 Jun 96 p 1

[Unattributed report: "Turn-Key"]

[FBIS Translated Text] Serious reconstruction is beginning at the Fergana oil refinery, the Uzneftepererabotka [Uzbek oil refinery] state production association. This enterprise passes millions of tonnes of crude oil through its units annually and produces 45 types of petroleum products for the needs of the whole of Central Asia. PRAVDA VOSTOKA asked the coordinator of the project from the Japanese firm Mitsui and Company, Hide-hiko Iwadare, about its forthcoming reconstruction.

[PRAVDA VOSTOKA] Mr. Iwadare, fuel problems are important to any country, and especially to Uzbekistan, because we have now changed from imported raw material to our own. Why did your firm in particular decide to help us?

[Iwadare] The stable situation and the progress of economic reform in Uzbekistan are attractive to business in Japan. Our interest was also aroused by a report about the opening of powerful oil and gas deposits. We have serious plans in this area. Three large projects are being implemented in Uzbekistan: assistance in developing the Kokdumalak oil deposit, the construction of the Bukhara oil refinery, and the third, here in Fergana. The latter project is especially dear to us, because the Mitsui firm is the main contractor, and the firm's president, Mr. Kumagai, is the chairman of the Japanese-Uzbek committee for economic cooperation.

[PRAVDA VOSTOKA] Will you tell us in a few words about the essence of the Fergana project?

[Iwadare] Diesel fuel accounts for 40 percent of the Fergana oil refinery. The initial raw material from the new Kokdumalak field contains a large amount of sulphur, an undesirable component in this product. According to international standards, the amount of sulphur in it should be 0.1 percent. In Japan this figure has been reduced to 0.05 percent — nobody else in the world has matched that. When we introduce an installation for the hydro- desulphurization of diesel fuel, the most developed countries will eagerly purchase this product. You will have an important item of export, which will considerably strengthen Uzbekistan's economy.

[PRAVDA VOSTOKA] However, this construction project will hardly be cheap...

[Iwadare] No, it will not. The cost of the project is $200 million. However, the Export-Import Bank of Japan and the European Bank for Reconstruction and Development are lending funds to Uzbekistan through us. After the contract is signed, an international tender for building the plant will be announced. With the help of foreign suppliers and skilled engineers and assembly workers, our firm hopes to start from scratch and to complete construction in two years, and then to hand the plant over to the people of Fergana on a turn-key basis — that is to say, with the equipment fully adjusted and local manual and skilled workers trained.

[PRAVDA VOSTOKA] How will payment be arranged?

[Iwadare] According to the contract, it is planned that the first instalment on the credit will be paid after the plant is commissioned. Then payments will be made over eight and a half years. I think that the plant will have paid for itself completely by that time. The Japanese bank has set the lowest interest rate in the world. Therefore, this contract is very favorable for Uzbekistan. The newly erected building will also provide hundreds of new jobs and bring the local population into contact with state-of-the-art technology.

Armenia

Armenia: Karabakh Official Views U.S. State Department Statement

*NC2006140596 Yerevan SNARK in English
0907 GMT 20 Jun 96*

["Press Secretary of NKR President Aleksandr Grigoryan Commenting on Statement of His Colleague From U.S. State Department; Exclusive Interview With SNARK NEWS AGENCY"—SNARK headline; place, date not given]

[FBIS Transcribed Text] [No dateline as received]

[SNARK] Mr. Grigoryan, Press Secretary of the U.S. State Department Nicholas Burns released a statement on June 12 saying that the U.S. Government is against the resolution of the Representatives House on delivering Nagorno-Karabakh 1/7 of the humanitarian aid released for Azerbaijan. It was noted in the statement that Azerbaijan regards this resolution as infringement of its sovereignty and territorial integrity, including its sovereignty on Nagorno-Karabakh.

[Grigoryan] I am sorry to interrupt you but Azerbaijan has never had any sovereignty on NKR [Nagorno-Karabakh Republic].

[SNARK] Nevertheless, Burns stated that the United States supports sovereignty and territorial integrity of all republics formed in the territory of the former USSR.

[Grigoryan] Nagorno-Karabakh itself is a republic formed in the territory of the former Soviet Union. However, the United States does not support its territorial integrity.

[SNARK] How would you comment on Burns words saying that the United States is against any border changes and regards it as a destabilizing factor in the instable region?

[Grigoryan] In 1988, the Central Committee on the CPSU also was against any change of border. And what came out of it — you can see yourself. Moreover, the principle of territorial integrity adjusts interstate relations. In case of our conflict, it bears merely mediating character. Unfortunately, the statement does not contain Burns' attitude to the principles of self-determination and equality without which real democracy is impossible.

[SNARK] According to the statement, the amendments adopted by the Representatives House to the draft law on foreign operations in 1997 fiscal year concerning humanitarian aid to Azerbaijan and NKR will hamper the negotiation process on Karabakh conflict settlement.

[Grigoryan] I can not really understand why the humanitarian aid NKR needs so much, should hamper the negotiation process. Moreover, this sort of statements are more likely to hamper the final settlement of the conflict as they encourage Azerbaijan to be more uncompromising at the negotiations.

[SNARK] Although the draft law is to be adopted by the Senate as well, the U.S. State Department will insist on rendering humanitarian aid to about 780,000 refugees in Azerbaijan in line with American principles.

[Grigoryan] As I mentioned, Nagorno-Karabakh needs the humanitarian aid more. As for American principles, we always thought that the Congress and Senate are to determine and guarantee them.

Armenia: Russian Border Guards Under Fire From 'Turkish Side'

*LD2106102496 Moscow INTERFAX in English
0954 GMT 21 Jun 96*

[FBIS Transcribed Text] YEREVAN, June 21 (Interfax) — The sixth post of Russia's Artashat border regiment came under attack at 4:30 a.m. Friday [21 June], the administration of the Ararat district of Armenia told Interfax.

The Russian border guards were fired at from the Turkish side, the administration said. Fortunately, the attack left no victims. Russian border officers and diplomats left for the incident site.

Russian Major Vladimir Aivazov told Interfax that the fact that the attack had come from the Turkish side was not yet confirmed. The incident site is being inspected.

Aivazov did not exclude the possibility that the shooting was directed inside Turkey. "Such cases are registered often, and usually do not bother Russian border guards," he said.

He confirmed other obvious border violations, however, which he said Turkey always denies.

However, Turkey admitted it was to blame for the last border shootout on April 24, he said.

Azerbaijan

Azerbaijan: U.S. Embassy Picketed Over U.S. Congress Bill

*NC2006202496 Baku TURAN in English
1251 GMT 20 Jun 96*

[FBIS Transcribed Text] Baku/20.06.96/TURAN—Today at 15.30 the independent youth organisations of Azerbaijan held a picket in front of the U.S. Embassy in Baku. The participants of the picket expressed a protest due to "amendment of Porter" by the House of Representatives of the U.S. Congress. About 100 activists from 15 youth organisations of the country took part in this action. They demanded immediate removal of the decision by the House of Representatives of the U.S. Congress which makes doubtful the territorial integrity of Azerbaijan. A resolution with relevant demand was conveyed to the U.S. Embassy in Baku. The participants of the picket warned that if the Congress does not remove this decision of the House of Representatives the youth organisations will start campaign for suspension of the activity of the U.S. Embassy in Azerbaijan. The police watching the picket did not interfere.

Azerbaijan: Deputies Collect Signatures To Protest U.S. Aid Bill

NC2006203196 Baku TURAN in English
1251 GMT 20 Jun 96

[FBIS Transcribed Text] Baku/20.06.96/TURAN—More than 30 deputies of the Milli Mejlis put their signatures under the appeal of protest due to the "amendment of Porter" in which they demand to remove it. The appeal notes that this document aimed against sovereignty and territorial integrity of Azerbaijan aggravates the situation and treats it as the act of pressure on Azerbaijan.

The appeal will be passed to the U.S. Embassy in Baku.

* June 11 the House of Representatives of the U.S. Congress adopted a bill on Foreign Financial Assistance for the year 1997. According to the bill, next year the U.S. will be able to provide governmental assistance to Azerbaijan under the conditions that the same assistance will be provided for Nagorno-Karabakh in ratio 7:1. The bill does not note belonging of Nagorno-Karabakh to Azerbaijan.

Azerbaijan: Aliyev Calls Health Care Cooperation With Iran 'Promising'

LD2006201696 Moscow INTERFAX in English
1712 GMT 20 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Heydar Aliyev proclaimed Azerbaijan's intention to cooperate with Iran "in all areas."

At a meeting with Iran's Health Minister 'Ali Reza Marandi in Baku he stressed that he views cooperation between the two countries' medics as promising, particularly in the area of combating dangerous infectious diseases in the region.

According to Aliyev, Azerbaijan and Iran should join their efforts in combating malaria to prevent fresh outbreaks of that disease in the region.

Aliyev and Marandi discussed prospects for cooperation between their two countries in the area of health care in the context of the general development of bilateral relations. IF Note: According to official data, Azerbaijan put an end to the epidemics of malaria back in the 1940's. However the incidence of malaria increased lately - 4500 cases since the beginning of this year. Lethal results have not been registered so far.

According to Azerbaijan's Health Ministry, the main areas malaria spreads from are the lowlands, such as Sabirabad and Saatly Districts, where most of the Azeri refugees have settled down. Their total number is about one million.

Georgia

Georgia: Shevardnadze Warns Against Capitalizing on Conspiracy Theme

LD2006183396 Moscow INTERFAX in English
1712 GMT 20 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Eduard Shevardnadze has described as misunderstanding allegations saying Defense Minister Vardiko Nadibaidze was involved in a failed military coup in Moscow.

"I do not think Nadibaidze could have pulled off a coup in a country such as Russia is," he said on Wednesday.

This follows a recent statement from Aleksandr Lebed, newly- appointed secretary of Russia's national security council, saying part of defense ministry officials loyal to former Defense Chief Pavel Grachev and his Georgian counterpart Nadibaidze had tried to alert some Russian army units.

The Georgian leader said Nadibaidze was sent on a mission to Moscow to discuss military cooperation between the two countries.

Shevardnadze warned against attempts to try to capitalize on the issue.

Nadibaidze himself has likewise denied the charges.

Speaking in Tbilisi, he said he had been holding talks with the Russian armed forces' general chief of staff about relations between the two countries' armies, but Grachev's resignation was not on the agenda.

"I had no right, let alone influence the processes going on in Moscow," the minister said.

Leader of the National Democratic Party Irina Sarishvili thinks the minister will soon be dismissed from his post not because of the latest allegations, but because of a new balance of power in Moscow, Sarishvili told Interfax.

"Nadibaidze who has close relations with Grachev can become an irritant to Moscow following the latter's resignation," she believes.

Georgia: Nadibaidze Denies Involvement in Alleged Moscow Coup

MK2006133096 Moscow SEGODNYA in Russian 20 Jun 96 p 1

[Report by Mikhail Vignanskiy under the general headline: "The Russian Leadership is Searching for the 'GKChP-3.' The Defense Ministry Fears That the Calm Will Turn Into 'Matrosskaya Tishina' Prison"]

[FBIS Translated Text] Aleksandr Lebed's statement saying that Vardiko Nadibaidze, Georgian defense minister, planned to put troops on alert, evoked a great resonance in Tbilisi.

Mr. Nadibaidze categorically denied any accusations against him. Upon his return from Moscow to Tbilisi, the minister held a press conference, where he said that during his stay in the Russian capital he had negotiations at the General Staff about the relations between the armies of the two countries, whereas there was "no talk whatsoever" about the dismissal of Russian Federation Defense Minister Pavel Grachev.

Yesterday morning, Vardiko Nadibaidze was summoned to President Eduard Shevardnadze for explanations. Also on Wednesday [19 June], the local information agency "Kavkaz-press," referring to some well-informed sources at the Georgian Defense Ministry, reported that, while in Moscow, Nadibaidze allegedly took part in the Russian presidential election. The agency recalls that, according to the Georgian Constitution, a citizen of a foreign state cannot hold a ministerial office. Should the participation of Vardiko Nadibaidze in the Russian vote be confirmed, a scandal will be unavoidable.

Georgia: Opposition Hails Lebed's Statement Against Nadibaidze

MK2106065396 Moscow SEGODNYA in Russian 20 Jun 96 p 7

[Report by Mikhail Vignanskiy: "The Georgian Opposition Intends To 'Nail Down' the Defense Minister. Aleksandr Lebed's Statement Has Created a Wonderful Opportunity To Do So"]

[FBIS Translated Text] The statement of Russian Security Council Secretary Aleksandr Lebed about the involvement of Georgian Defense Minister in the alleged plot of generals — supporters of dismissed Pavel Grachev — evoked a stormy reaction in the Georgian capital.

Parliament Chairman Zurab Zhvania, commenting on the situation, did not rule out the possibility of using serious measures, including the dismissal of "official representatives of the Georgian authorities, should their involvement in unlawful actions in Moscow be confirmed." Mr. Zhvania emphasized, though, that the information about the involvement of Nadibaidze, "who is on friendly terms with Pavel Grachev," in GKChP [State Committee for Emergency Situation, set up in the August 1991 attempted coup] number 3 can prove untrue.

The opposition decided that after Aleksandr Lebed's statement the minister can be easily "nailed down." Only three days ago the most potent party in the opposition, the National Democratic Party, having some 30 seats in the parliament, harshly criticized Mr. Nadibaidze for his "pro-Russian stance," which manifested itself, in particular, in the defense minister's agreement to cede to the Russian military half of the flank quotas assigned to Georgia under international agreements. In addition, the radical opposition demands that "the invaders" be withdrawn, whereas Mr. Nadibaidze insists that Russia be given military bases in Georgia for 25 years. In an interview with your SEGODNYA correspondent, Irina Sarishvili-Chanturia, leader of the national democrats, said: "We will continue to insist on Nadibaidze's dismissal from his post. The matter, however, should not be confined to mere replacement of Grachev's man by Lebed's man. Professional and political functions should be clearly delineated in the military agency. A civilian must be at the head of the ministry. At the same time, it is essential to uphold our national interests regarding the defense policy, rather than to show a pro-Russian orientation as we do now. As for the electoral promises of General Lebed about the settlement of conflicts, I do not think that his 'harsh measures' will correspond to the interests of Georgia. Under no situation — not even the most fantastically favorable to us — the Russian troops can be trusted. We have seen this for ourselves."

Georgia: Aide Says Lebed Charges Against Nadibaidze Will Not Affect Ties

LD2106104396 Moscow INTERFAX in English 1023 GMT 21 Jun 96

[FBIS Transcribed Text] TBILISI, June 21 (Interfax) — Recent charges by Russian Security Council Secretary Aleksandr Lebed that Georgian Defense Minister Vardiko Nadibaidze was part of an attempted coup in

Russia will not affect the relationships between Georgia and Russia, the Georgian president's press secretary Vakhtang Abashidze told Interfax on Friday.

He quoted Eduard Shevardnadze as saying that "the situation around Nadibaidze is a sheer misunderstanding which has no ground for any far-reaching conclusions."

Lebed accused Nadibaidze on Tuesday of joining Russian generals loyal to former Russian Defense Minister Pavel Grachev who planned to pressure Yeltsin with a show of force after the dismissal of Defense Minister Pavel Grachev. Nadibaidze has denied the accusations.

Voicing Shevardnadze's view on the recent dismissals in the Russian leadership, Abashidze said that the president believes that Russian leader Boris Yeltsin "will guarantee the development of democratic processes in Russia and (Shevardnadze) does not question this decision."

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